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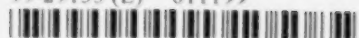
Zone of peace and cooperation of the South Atlantic

Zone of peace and cooperation of the South Atlantic

Report of the Secretary-General

Contents

	<i>Page</i>
I. Introduction	2
II. Replies received from Governments	2
Argentina	2
Brazil	3
III. Replies received from organizations and bodies of the United Nations system	4
A. Department of Disarmament Affairs	4
B. Department of Public Information	4
C. Office for the Coordination of Humanitarian Affairs	6
D. United Nations Educational, Scientific and Cultural Organization	6
E. United Nations Office for Drug Control and Crime Prevention	6



I. Introduction

1. The General Assembly, on 25 November 1998, adopted resolution 53/34 entitled "Zone of peace and cooperation of the South Atlantic", in which it took note of the report of the Secretary-General (A/53/488) and requested the relevant organizations, organs and bodies of the United Nations system to render all appropriate assistance that States members of the zone may seek in their joint efforts to implement the declaration of the zone of peace and cooperation of the South Atlantic. The Assembly also requested the Secretary-General to keep the implementation of resolution 41/11 of 27 October 1986 and subsequent resolutions on the matter under review and to submit a report to the General Assembly at its fifty-fourth session, taking into account, *inter alia*, the views expressed by Member States.

2. Pursuant to resolution 53/34, the Secretary-General addressed a note verbale dated 24 May 1999 to the Governments of the States Members of the United Nations requesting their views on the implementation of the declaration of the zone of peace and cooperation of the South Atlantic. On 18 May 1999, letters were also dispatched to the relevant organizations and bodies of the United Nations requesting them to submit their contributions for the preparation of the report of the Secretary-General by 30 July.

3. As at 30 September, two Governments had replied and communications had been received from five of the organizations and United Nations bodies addressed. Those replies are reflected in sections II and III of the present report respectively. Any further replies received will be incorporated in an addendum to the report.

II. Replies received from Governments

Argentina

[Original: Spanish]
[30 July 1999]

1. The Argentine Republic is gratified by the outcome of the fifth ministerial meeting of the States members of the zone of peace and cooperation of the South Atlantic, held in Buenos Aires on 21 and 22 October 1998. Argentina's offer to host a meeting of this importance was prompted by its interest in strengthening peace in the zone and promoting cooperative relations among the member countries. Argentina believes that the zone provides an unparalleled opportunity for discussion and an excellent framework for

expanding development strategies and trade between the two continents, as relations between them grow increasingly close, active and dynamic.

2. At the conclusion of the fifth meeting, the States members of the zone adopted by consensus a final declaration and a plan of action. The declaration underscores the determination to increase cooperation in areas of mutual interest, such as the conservation of marine fish stocks, the promotion of trade and investment, the promotion of technical cooperation, the struggle against drug trafficking, the conservation of freshwater resources and the appropriate regulation of maritime transport of radioactive wastes.

3. The plan of action is the first such document adopted in the framework of the ministerial meetings of States members of the zone, and its purpose is to put into practice the measures agreed upon in the declaration. The Argentine Republic, as coordinator of the standing committee for the zone, proposed several courses of action as a follow-up to the plan of action, and they have been submitted for the consideration of the other members of the zone.

4. The Argentine Republic reaffirms its conviction that the objectives of peace and cooperation that inspired the establishment of the zone can be achieved only insofar as the institutions of representative democracy and total respect for human rights and fundamental freedoms come into full force in the countries of the region.

5. With regard to stronger trade ties in the zone, as advocated in paragraph 3 of the Buenos Aires plan of action, the Argentine Republic has invited member countries to publicize trade fairs and commercial missions by way of national publications on the subject to be distributed among the States members of the zone.

6. Members of the zone again urged ratification of or accession to the New York Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (1995) and the Food and Agriculture Organization of the United Nations (FAO) Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas (1993). In the light of the latter instrument and with a view to avoiding cases of fishing vessels' flying dual flags, members of the Zone undertook to cooperate with each other in providing information regarding the registration of fishing vessels flying their flags.

7. As part of the cooperation in the prevention of drug abuse and the struggle against drug trafficking and related

crimes (para. 7 of the Buenos Aires plan of action), Argentina has proposed exchanging information on such subjects as the illicit traffic in narcotic drugs and psychotropic substances, prevention and assistance programmes, money-laundering and chemical precursors.

8. Regarding security issues, the Argentine Republic has begun to circulate various international instruments among the countries of the zone in the hope of strengthening regional consensus on security issues and giving impetus to the international conviction that the zone of peace and cooperation of the South Atlantic must be a region untouched by the arms race and free of nuclear weapons.

9. Argentina invites the international community to sign and ratify the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction (1997).

10. It is to be hoped that the conflicts which unfortunately still affect States members of the zone may be settled with the speed that the humanitarian emergency requires. In the interim, the Argentine Republic considers that the zone provides a favourable context for offering any nation that requires it its willing collaboration in the peaceful settlement of conflicts in the region. Argentina is, in fact, taking an active part in United Nations peace-keeping operations and stands ready to go on contributing to the consolidation of peace, security, justice and the growth of the States members of the zone.

11. On the question of international humanitarian assistance, attention is drawn to the progress of the White Helmets initiative, presented to the international community and adopted unanimously by the General Assembly in 1994 (resolution 49/139 B). Within the zone, the White Helmets have provided assistance in countries as diverse as Angola, Argentina, Brazil, Equatorial Guinea, Rwanda and Sierra Leone. In order to bolster these efforts, Argentina has asked the States members of the zone to establish their own national coordination centre focal points for the White Helmets initiative, in accordance with paragraph 11 of the plan of action issued at the latest ministerial meeting of the States members of the zone of peace and cooperation of the South Atlantic.

12. Concerning statistics, the Argentine Republic is currently preparing a register of the specialized offices in each country, with a view to identifying thematic areas in which an exchange of information would be useful, and eventually creating a database centred in New York.

13. Argentina is interested in having all the countries that form part of the zone of peace and cooperation of the South

Atlantic establish a national coordination centre with a view to facilitating links among themselves and communicating more easily.

14. It is important to point out that in the South Atlantic, the colonial status of the Malvinas, South Georgia and South Sandwich Islands still persists, affecting the territorial integrity of the Argentine Republic. Argentina expresses its satisfaction over the greater understanding and degree of reconciliation achieved by the Governments of the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland. Despite the efforts that Argentina has made to promote dialogue and a peaceful and definitive solution to the question of the Malvinas Islands, its commitment to respect the way of life of the inhabitants of the Malvinas and the many calls by the international community for a negotiated solution, it has not proved possible to restart negotiations towards ending the sovereignty dispute. The Argentine Republic believes that solving this serious problem would make it possible to consolidate once and for all stability and cooperation in the South Atlantic.

Brazil

[Original: English]
[29 July 1999]

1. The zone of peace and cooperation of the South Atlantic has been recognized by the international community as a valuable mechanism that provides the 24 countries from the two shores of the South Atlantic with an important framework for concerted efforts in the pursuit of the common goals of peace, social and economic development and protection of the environment. The support received by the General Assembly through its resolutions on this matter is indicative of the fact that the relevance of the zone of peace and cooperation of the South Atlantic is by no means limited to its Member States but also has a significant impact on the promotion of the objectives of the United Nations.

2. The Government of Brazil believes that there are three priority areas in which the zone's potential can be most fruitfully put to use: denuclearization of the region, protection of the marine environment and cooperation in the fight against drug trafficking.

3. There can be no doubt that the goal of complete denuclearization of the South Atlantic region is achievable. The Tlatelco and Pelindaba treaties already provide a basic frame of reference for this endeavour. With Brazil's accession to the Treaty on the Non-Proliferation of Nuclear Weapons, all States in the zone are now parties to this treaty.

Furthermore, the integration of a denuclearized South Pacific with the Rarotonga and Bangkok treaties would make possible the prospect of a Southern Hemisphere free of nuclear weapons.

4. With respect to the protection of the marine environment, Brazil understands that the creation of new mechanisms on the issue, within the framework of the United Nations Convention on the Law of the Sea, would bring a positive contribution to prevent accidents and to promote the exchange of information and cooperation.

5. The fight against drug trafficking is another objective to be actively pursued. To that end, Brazil is convinced that coordination of efforts within the zone of peace and cooperation of the South Atlantic can be decisive. Bilateral agreements between South Atlantic States, as well as multilateral activities such as the anti-drug initiative launched in the Fourth Ministerial Meeting of the zone of peace and cooperation of the South Atlantic (Somerset West, South Africa), are instrumental in fostering the effectiveness of actions undertaken against this form of organized crime.

6. In order to fully achieve its goals, the zone needs the continuing support of the United Nations system, including the United Nations Development Programme and international financial institutions.

7. The Fifth Ministerial Meeting, held in Buenos Aires in October 1998, once again renewed the commitment of Member States to the objectives of the zone. Its final declaration and the innovative plan of action adopted on that occasion have set out various modalities of cooperation for the common purpose of ensuring peace, security and development.

8. Brazil attaches great importance to the strengthening of the zone of peace and cooperation of the South Atlantic and will continue to work actively with other South Atlantic countries and with the United Nations membership at large for the full implementation of resolution 41/11.

III. Replies received from organizations and bodies of the United Nations system

A. Department of Disarmament Affairs

1. The Department of Disarmament Affairs has supported and encouraged the efforts of States of the South Atlantic region to consolidate the regime established by the Treaty

for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco) and to accelerate the ratification of the African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba) by all States concerned, so that they would enter into force as soon as possible.

2. The Department has held two seminars on the illicit flow of arms under the auspices of its revitalized regional centres for peace and disarmament in Africa and in Latin America and the Caribbean. Participants at the meetings included representatives of the region's ministries of foreign affairs, military and police institutions, international experts and representatives of regional organizations. The purpose of these workshops, in accordance with General Assembly resolution 53/77 T of 4 December 1998, was to address the human suffering caused by illicit trafficking in small arms, to enable Governments to better understand the issue and to develop more effective means of addressing the problem. They examined the magnitude of the phenomenon and the exploration of possible measures to combat illicit circulation and trafficking as well as the United Nations role in combating the problem. Participants called for a continuation of that role in regional disarmament matters and commended the Organization for its establishment of permanent forums for arms and security information and debate.

3. After the Government of Liberia decided to destroy some 31,000 decommissioned weapons collected at the end of its seven-year civil war, the Department participated in consultations leading to the actual destruction of those weapons in late July 1999. The Regional Centre for Peace and Disarmament in Africa served as certifier of the destruction process at the request of the Government of Liberia.

B. Department of Public Information

1. The adoption of General Assembly resolution 53/34 on 25 November 1998 was highlighted by Department of Public Information radio news programmes in English, French, Russian, Dutch and Kiswahili, produced for broadcasting organizations worldwide. The subject was emphasized by the press release services at Headquarters in New York and Geneva (English and French) and by United Nations information centres and services, particularly those located in the region covered by the zone.

2. The Radio and Central News Service, in its news bulletins, extensively covered the situations in Angola, the Democratic Republic of the Congo, Liberia and Sierra Leone. Other topics covered that were relevant to the region included: massacres of women, children and elderly persons

in the eastern part of the Democratic Republic of the Congo, the United Nations Observer Mission in Sierra Leone, a new wave of internally displaced persons in Angola, humanitarian assistance in Sierra Leone, the adoption in Buenos Aires of a plan of action to reduce the risk of global climate change, the non-proliferation of nuclear weapons, multinational investment and democratization in Latin America and drug trafficking in the South Atlantic States of Africa and South America.

3. In addition, the Department produced eight feature programmes, in English, French, Portuguese, Russian, Spanish and other languages. The topics covered were:

- (a) Former child soldiers in Liberia;
- (b) Eight fallen peacekeepers in Angola;
- (c) Increase of temperature — climate change;
- (d) United Nations efforts in the Congo;
- (e) Angola;
- (f) Disarmament: non-nuclear proliferation including an interview with Paulo Cordeiro de Andrade Pinto, Counsellor, Permanent Mission of Brazil to the United Nations;

(g) Missiles and their impact on global security, including an interview with Emundo Fujita, Special Adviser, Ministry of Foreign Affairs of Brazil;

(h) Global security, including an interview with Antonio Patriota, Minister Plenipotentiary of the Permanent Mission of Brazil to the United Nations.

4. The United Nations Information Service in Geneva briefed the press on the disastrous effects of El Niño in Paraguay; the humanitarian and peace processes in Sierra Leone and Angola; and the Security Council ministerial meeting on Africa on 25 September 1998 as well as the presidential statement following the meeting. It also arranged press conferences for various United Nations officials concerned with the situation in Africa. Other information centres and information services publicized the System-wide Special Initiative on Africa, the Secretary-General's article on "An Africa that Africa Deserves", demining and nuclear disarmament, the special session of the General Assembly on the world drug problem and the fiftieth anniversaries of the Universal Declaration of Human Rights and of United Nations peacekeeping.

5. The Dag Hammarskjöld Library continued to collect and index in its UNBIS/Horizon database all United Nations documents and publications and some non-United Nations

materials on the zone of peace and cooperation of the South Atlantic.

6. The Department's publication *Yearbook of the United Nations* printed the text of General Assembly resolution 53/34, as well as a brief text on the report of the Secretary-General on the subject (A/53/488).

7. *Africa Recovery*, a quarterly journal, published several articles highlighting issues of importance to the African countries in the South Atlantic region. The subjects ranged from peacemaking and reconciliation to environmental and economic matters:

(a) The June 1999 issue examined the impact on Southern African countries of the wide-ranging trade pact between South Africa and the European Union;

(b) The April 1999 issue published a cover story examining the impact of the euro on the countries of the CFA franc zone, a country profile of Namibia examining its socio-economic development, the progress made in peacemaking and democratization in the Central African Republic, the rehabilitation of war victims in Sierra Leone, a report on the second session of the Conference of the Parties to the United Nations conventions to combat desertification and appeals by Sierra Leone for international intervention to end the conflict in that country;

(c) The December 1998 issue reported on Nigeria's privatization programme, which promises to be one of the largest in Africa, the opening up of new markets for African countries through the Internet and land distribution in Zimbabwe and Namibia;

(d) The November 1998 issue highlighted the search for a negotiated peace in Angola and the Democratic Republic of the Congo;

(e) The August 1998 issue reported on the efforts by the Secretary-General to seek solutions to African crises, particularly in Nigeria, the efforts of African countries in fighting international drug trafficking in cooperation with the United Nations International Drug Control Programme, the main findings of the report of the Secretary-General on the causes of conflict and the promotion of durable peace and sustainable development in Africa (A/52/871-S/1998/318), the problem of the proliferation of small arms in Africa, the post-conflict reconstruction of Liberia and the rehabilitation of child victims in war-torn Sierra Leone.

8. The latest edition of the publication *Basic Facts about the United Nations* highlights issues of direct concern to the South Atlantic region, including peacemaking efforts in Africa, the fight against landmines, responding to emergencies and coordinating relief assistance, and

environmental initiatives, especially with regard to the oceans and efforts to combat global warming.

C. Office for the Coordination of Humanitarian Affairs

1. The work of the Office for the Coordination of Humanitarian Affairs in support of the zone of peace and cooperation of the South Atlantic includes coordinating humanitarian operations in countries of the zone affected by conflict, such as Angola, the Democratic Republic of the Congo, the Republic of the Congo and Sierra Leone.
2. The integrated regional information networks (IRINs), based in the field, provide information and analyses from a regional perspective to a variety of audiences. Since 1995, the Central and East Africa IRIN, based in Nairobi, has analysed and synthesized information on developments in the Great Lakes region. IRIN expanded its geographical coverage to include West Africa and Southern Africa by establishing offices in Abidjan and Johannesburg. Together, IRIN offices issue daily and weekly reports for more than 4,000 subscribers. Overall, it is estimated that they reach at least 10,000 readers around the world. By fostering greater awareness and understanding of regional issues and events, IRIN seeks to contribute to better-informed and more effective humanitarian action, including emergency preparedness and advocacy.
3. The 1999 consolidated appeals, a joint inter-agency planning tool that aims to raise the resources needed to ensure timely humanitarian assistance, were launched for Angola, the Democratic Republic of the Congo and Sierra Leone. The consolidated appeal process is an overall strategy that enables the United Nations system to set clear goals and define priorities for the humanitarian programme in a given country and provides a framework for joint programming, common prioritization and joint resource mobilization.
4. Strategic frameworks have been developed in countries in crisis with the aim of defining a coherent and effective multi-sectoral United Nations response. The Office for the Coordination of Humanitarian Affairs is currently working on the development of a strategic framework for Sierra Leone.
5. The Office for the Coordination of Humanitarian Affairs has also responded to natural disasters by establishing a disaster response system in Geneva, operational 24 hours a day, seven days a week, which monitors field situations to identify natural disasters. It also issues situation reports as soon as it is alerted to a disaster. Situation reports provide detailed information on the

evolving disaster, including damage caused, actions taken, assistance needed and international aid provided. In this context, during 1999 situation reports have been issued for the earthquakes in Colombia (January) and Mexico (June).

6. In addition, during the period under review, United Nations disaster assessment and coordination teams, which provide assistance in damage and needs assessment and the coordination of relief activities during the initial phase of a disaster, were sent to Brazil (forest fires, April 1998), the Dominican Republic and Haiti (Hurricane Georges, September/October 1998), Honduras and Nicaragua (Hurricane Mitch, November 1998) and Colombia (earthquake, February 1999).

D. United Nations Educational, Scientific and Cultural Organization

The Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization promotes international cooperation in all parts of the world oceans and within the South Atlantic, in particular:

- (a) Among the 35 Atlantic shipping lines in its Ship-of-Opportunity Programme, 20 are totally within the South Atlantic;
- (b) Its global sea-level observing system encompasses, among its almost 300 core tide gauge stations, some 30 around the South Atlantic and on various islands;
- (c) Its Data Buoy Cooperation Panel has as one of its action groups the International South Atlantic Buoy Programme, which maintains some 60 drifting buoys currently at sea;
- (d) The Pilot Research Moored Array in the tropical Atlantic can be considered as a cooperative activity of interest to countries bordering the South Atlantic.

E. United Nations Office for Drug Control and Crime Prevention

In the context of its drug control projects, both in South America, mainly Brazil, and in Southern Africa, the United Nations Office for Drug Control and Crime Prevention is creating substantive linkages and operational synergies to promote cooperation in two specific fields:

- (a) Interdiction of drugs from Brazil to Africa;
- (b) Drug abuse and HIV/AIDS prevention targeting injecting drug users. South Atlantic cooperation could start in 2000.



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Agenda items 20, 35, 37, 76, 78, 84, 85, 99, 100, 107,
108, 109, 114, 116 and 160

**Strengthening of the coordination of humanitarian and disaster relief
assistance of the United Nations, including special economic assistance**

Assistance in mine action

**Implementation of the outcome of the World Summit for Social
Development**

General and complete disarmament

Review of the implementation of the recommendations and decisions
adopted by the General Assembly at its tenth special session

**Review of the implementation of the Declaration on the Strengthening of
International Security**

Comprehensive Nuclear-Test-Ban Treaty

Sustainable development and international economic cooperation

Environment and sustainable development

Crime prevention and criminal justice

International drug control

Advancement of women

Elimination of racism and racial discrimination

Human rights questions

Measures to eliminate international terrorism

Letter dated 29 September 1999 from the Permanent Representatives of Brazil, Finland and Mexico to the United Nations addressed to the Secretary-General

We have the honour to transmit herewith the text of the "Declaration of Rio de Janeiro", as well as the document "Priorities for action", adopted during the first Summit of the Heads of State and Government of Latin America and the Caribbean and the European Union, held in Rio de Janeiro on 28 and 29 June 1999 (see annex).



We would appreciate that you have the text of the present letter and its annex circulated as a document of the General Assembly, under items 20, 35, 37, 76, 78, 84, 85, 99, 100, 107, 108, 109, 114, 116 and 160 of the agenda of the fifty-fourth session.

(Signed) **Gelson Fonseca**
Ambassador, Permanent Representative of Brazil
to the United Nations

(Signed) **Marjatta Rasi**
Ambassador, Permanent Representative of Finland
to the United Nations

(Signed) **Manuel Tello**
Ambassador, Permanent Representative of Mexico
to the United Nations

Annex

"Declaration of Rio de Janeiro" and "Priorities for Action", adopted during the first Summit of Heads of State and Government of Latin America and the Caribbean and the European Union, held in Rio de Janeiro on 28 and 29 June 1999

We, the Heads of State and Government of Latin America and the Caribbean and of the European Union, meeting in the city of Rio de Janeiro on 28th and 29th June, 1999, have decided to advance in the consolidation of a strategic partnership of a political, economic, cultural and social and co-operative character between both regions which contributes towards the development of each of our countries, as well as towards the achievement of better levels of social and economic well-being for our peoples, taking advantage of the opportunities offered by an ever more globalised world, in a spirit of equality, respect, alliance and co-operation.

We agree that the priorities for action are based on a common commitment to representative democracy, the rule of law, good governance, pluralism and social development including a more equitable distribution of wealth and opportunities and to a harmonious integration into the global economy.

We have therefore decided to strengthen the dialogue between governments at all levels and with organisations from the civil society, with the aim of ensuring the achievement of the objectives of development and strengthening the rule of law in both regions. In this context, we will strengthen mechanisms to guarantee the fulfilment of the laws of both regions, as well as transparency and accountability, especially in the use of public resources.

We have also decided that the Biregional Group, at the level of Senior Officials, established by the Declaration of Rio de Janeiro, will monitor the actions contained in this document.

Taking this into account, as well as the principles and commitments contained in the Declaration of Rio de Janeiro, we will promote the following:

PRIORITIES FOR ACTION

In the political field:

1. Promote closer co-operation and exchange of points of view in international fora on matters of common interest. Work jointly for the improvement of the capability of the United Nations Organisation to respond in an ever more effective manner to its tasks in the new millennium, with full respect for the objectives and principles of the Charter, and the Universal Declaration of Human Rights adopted by the United Nations 50 years ago. We will co-ordinate biregional efforts to guarantee that the Millennium Assembly develops in such a way that the Organisation is strengthened.

2. Formulate programmes of co-operation aimed at further strengthening the protection and promotion of human rights, as well as training programmes to support offices and institutions for human rights, such as those involved in protecting the rights of the more vulnerable groups of society. We support specific training programmes aiming to promote tangible steps forward in this field. Likewise, we will promote programmes to disseminate humanitarian law.
3. Design and put into practice joint programmes and adopt national measures to prevent and combat xenophobia, manifestations of racism and other related forms of intolerance, as well as to promote and protect the rights of the most vulnerable groups of society, especially children, youth, disabled persons, indigenous peoples and migrant workers and their families.
4. Adopt programmes and projects in the twelve priority areas identified in the Fourth World Conference of Women (Beijing, 1995), through mechanisms of financial and technical co-operation, with prior identification of actions of common interest with a biregional dimension. The gender aspect will be taken into account as a basis for all co-operation programmes.
5. Work towards the modernisation of the structure of our respective States, in particular with regard to electoral systems, the administration of justice, the tax systems and the budgetary policies as mechanisms for the redistribution of wealth and revenues generated by economic development. We encourage dialogue on the matter.
6. Invite actors of civil society to participate in the implementation of joint initiatives between Latin America and the Caribbean and the European Union. We therefore regard co-operation between the public sector and civil society as positive and recognise the relevant role of decentralised co-operation programmes. We agree to co-operate closely and exchange knowledge and experience in the field of reforming social security.

Encourage parliamentary contacts between both regions.

7. Welcome in particular the activities of various fora in the context of the preparation of the Summit.
8. Recalling the successful conferences on Security and Confidence Building Measures, underline the need to continue regular dialogue on security issues between the European Union and the Rio Group.

9. Promote the signing or ratification of instruments in the field of disarmament and prohibition of certain particularly inhumane weapons, including the conventions on chemical and biological weapons; the Non Proliferation Treaty (NPT), the Comprehensive Nuclear Test Ban Treaty (CTBT). Also, support negotiations currently in progress, in particular in the Conference on Disarmament.
10. Welcome the entry into force, on 1st March 1999, of the Ottawa Convention on the prohibition of use, stockpiling, production and transfer of anti-personnel landmines (APL) and on their destruction and emphasise the importance of full and speedy implementation of the Convention. We call on all States to join efforts to achieve the total elimination of APL worldwide and agree to attach high priority to efforts dealing with the suffering and destruction caused by their use.
11. Continue to provide technical and financial co-operation through mine action programmes, with particular attention to Central American countries.
12. Emphasise the fact that a serious challenge to the international community is raised by the combination of conflicts with the uncontrolled dissemination of small arms. In this context, we welcome the Joint Action of the European Union on combating the destabilising accumulation and spread of small arms and light weapons, as well as the Inter-American Convention to Combat the Illegal Production and Traffic of Firearms, Munitions, Explosives and other Related Materials, and underline our determination to co-operate closely in this field.
13. Co-operate in the fight against transnational organised crime and related criminal activities, work for the elaboration of instruments against corruption, as well as actively promote the implementation of the international conventions on the matter, and also increase collaboration between our governments.
14. Intensify international co-operation to combat terrorism, based on the principles established in the framework of the United Nations Organisation. To this end we will work together to advance in the signing and ratification of the conventions and protocols of the UN and to strengthen the international legal framework on the subject, supporting the elaboration of instruments to fight terrorism.
15. Support projects for the conservation and sustainable use of natural resources, especially those which contribute to overcoming poverty, marginalisation and social exclusion, to modifying patterns of production and consumption, and to promoting the conservation of biological diversity. Special importance will be attached to promoting the sectors likely to generate productive employment.

16. Reaffirm our commitments to implement the Rio Convention on Climate Change, Biodiversity and Desertification and to promote actions oriented towards the early application of the Mechanism for Clean Development foreseen in the Kyoto Protocol. We resolve to co-operate and exchange experience in the field of preserving forests world-wide through sound economic exploitation in line with the principles of sustainable development. Close attention will be paid to projects dealing with a more rational use of energy, the development of renewable energy sources and solving the problems of industrial and urban pollution. We resolve to exchange experiences in the field of soil productivity loss and management of arid ecosystems. We stress the successful co-operation between the European Union and the Brazilian Government in implementing the "International Pilot Programme to Conserve the Brazilian Rain Forests" (PPG7), as a promising strategic alliance. We underline the importance of education on environmental protection for the implementation of Agenda 21 and agree to co-operate closely in this respect.
17. Put into practice programmes of co-operation in the field of environmental and natural disasters, with the aim of contributing to the improvement of the capabilities of the more vulnerable countries of both regions to prevent and respond to disasters; to set up an adequate system to take advantage of international aid for the phases of prevention, early warning, emergency, mitigation, rehabilitation and reconstruction. This co-operation will include the elaboration of a directory of responsible national civil-protection organisations, the integration of an inventory of existing resources for disaster relief, and the drafting of a handbook of guidelines for international co-operation in case of disaster.
18. Promote the complete application of the objectives of the International Decade for Natural Disaster Reduction, and of the Programmes for Disaster Preparation, Mitigation and Prevention of the Department of Humanitarian Aid of the European Community (EC DIPECHO), executed in Central America and the Caribbean.
19. Appreciate the active role that civil society is playing for the relief and reconstruction work in Central America, as recognised in the Stockholm Declaration of 28th May 1999.
20. Endorse the implementation envisaged in the Panama Comprehensive Action Plan for European Union/Latin America Counter-Drugs Assistance including interregional co-operation with the Caribbean as an important part of the priorities for action.
21. Welcome the results of the XIV European Union-Latin America Interparliamentary Conference (16th-18th March, 1999), in particular the message relating to the Institute for Relations between Europe and Latin America (IRELA), and consider the recommendations of the members of parliament of both regions in this respect.

In the economic field:

22. Promote joint action in international economic co-operation. In the World Trade Organisation, we will ensure the full implementation of the results of the Uruguay Round and agree on the launching of a new comprehensive and mutually beneficial round of multilateral trade negotiations.
23. Strengthen our economic and trade relations, taking maximum advantage of existing trade agreements between our regions and working for the establishment of new ones.
24. Hold high-level consultations to exchange points of view and to agree on positions in multilateral efforts in appropriate fora, including those in the United Nations system, oriented towards the establishment of mechanisms that promote a stable and dynamic global economic and financial system, as a way to prevent crises in the future, and should they occur, to ensure their effective and swift solution.
25. Formulate, in the framework of our consultations, proposals of biregional co-operation directed to strengthening national financial systems and developing mechanisms of monitoring and regulation in order to implement international best standards and practices.
26. Create specific programmes to support economically relatively less-developed countries by establishing training fora and stimulating productive investment and adequate conditions of financing, including effective national and global measures to resolve the problems generated by excessive levels of debt.
27. Call on the business communities of Latin America and the Caribbean and of the European Union to meet periodically in a Business Forum, with the aim of analysing matters of common interest and, where appropriate, presenting conclusions and recommendations for the consideration of governments. Such a Forum, whose starting point could be the promotion of biregional electronic networks of business associations, could be enriched with existing initiatives such as the Mercosur/European Union Business Forum and the Multisectoral Business Encounter AL-Partenariat 99 European Union-Mexico-Central America.
28. Promote a biregional programme of government and business training to foster competitiveness in business and in the negotiating capacity of entrepreneurs, as well as in the search for effective solutions in the area of facilitating business.
29. Encourage the conclusion of bilateral reciprocal investment promotion and protection agreements and conventions to avoid double taxation and to stimulate initiatives directed towards facilitating and increasing investments between both regions.

30. Promote programmes and mechanisms to support small and medium enterprises in the fields of financing, including better access to financial guarantees and risk capital, management training, technology and inter-business co-operation, with the aim of raising competitiveness and achieving better insertion into international markets. In particular, to promote joint ventures for the establishment of enterprises in both regions.
31. Invite the European Investment Bank (EIB) to consider strengthening and broadening its activities in Latin America and the Caribbean and encourage co-financing between European financial institutions and those of Latin America and the Caribbean.
32. Support the development of national capacities to strengthen and protect intellectual-property rights in all fields, in accordance with the rules established in the framework of the WTO, as an important requisite for increasing trade and investment flows.
33. Establish a dialogue to study standards and certifications based on current agreements on Technical Barriers to Trade. We will examine the possibility of preparing negotiations for bilateral agreements on mutual recognition of technical standards.
34. Establish a dialogue to promote customs co-operation and the harmonisation of nomenclature, especially in the field of training, setting up databases and networks of experts, and formulating proposals for possible bilateral co-operation agreements on the subject.
35. Encourage co-operation and investment for the development of tourism in both regions. We attach special attention to the development and promotion of sustainable tourism, given the need to contribute to the conservation and management of the rich biodiversity of our regions. The active participation of local and indigenous communities, local administration and the private sector in the sustainable development of tourism contributes to regional and local economies.
36. Reinforce programmes of co-operation in the alternative-energy sector and in energy saving, especially decentralised co-operation - European Community Investment Program (ECIP), América Latina Investment (AL-INVEST), Latin America Rational Use of Energy (ALURE). We will also continue to support relevant programmes.
37. Promote programmes of co-operation in the field of infrastructure, including transport, and administrative procedures for the liberalisation of trade and the intensification of economic co-operation.
38. Ensure high-quality legal framework provisions for consumer protection and dialogue between the social partners; encourage the full implementation of international labour conventions.

In the cultural, educational, scientific, technological, social and human fields:

39. Agree to implement programmes in the areas of health and education in order to combat marginalisation, social exclusion and extreme poverty. Close attention should be paid to the implementation of the recommendations of the World Summit for Social Development of 1995 and to the preparation of the Special Session of the General Assembly in June 2000 to follow up on the Summit.
40. Strengthen co-operation in the fields of primary, secondary and higher education and design biregional programmes to support compensatory educational policies that contribute to improve the quality of education and the training of teachers, as well as the preparation of human resources, with special emphasis on vocational training and on the use of new technologies applied to education. We highlight the continuous and successful efforts in the last decades by all parties to foster co-operation also through bilingual and bicultural schools.
41. Firmly support biregional co-operation in the university sector aimed at increasing grants to students and researchers on all levels, as well as broaden post-graduate studies in science and technology, industry and business, the mobility of academics and students and for the processes of accreditation of programmes and the recognition of diplomas. We can look back on an impressive history of co-operation in the university sector, in particular the "América Latina Formación Académica" (ALFA). On both sides we have granted countless scholarships for students and researchers of all levels. These projects will be extended in the future.
42. Promote co-operation to put to better use the possibilities offered by new technologies and instruments, such as distance education, with the aim of integrating them into national education frameworks, particularly for those people and social groups that do not have access to them.
43. Special care will be given to promoting the rights of minorities and implementing training schemes which lend value to cultural and linguistic identities. We agree to promote co-operation aimed at enhancing opportunities for capacitation of indigenous populations to participate in the planning and implementation of social and economic development programmes.
44. Incorporate in educational programmes content that is oriented towards the diffusion of our tangible and intangible cultural heritage, identifying projects of co-operation between the two regions and taking into consideration the cultural offerings which exist on both sides of the Atlantic.
45. In this respect, for the purpose of lending visibility to and renewing the cultural dialogue between our regions, we will consider the establishment of a European Union-Latin America and the Caribbean cultural forum.

46. Implement programmes to promote cultural and linguistic identities, sensitising the population to their importance and to the need for their preservation. We will promote, in particular, research in the field of anthropology and culture, exchange of experts and transmission of conservation techniques.
47. Also agree to continue to provide appropriate support to community instruments such as "Urbs América Latina" (URBAL).
48. Promote the establishment of a joint initiative in the field of the "information society" on certain priority matters (e.g., electronic trade, industrial technologies and telecommunications, the environment, health, social services and education). Encourage greater co-operation in the field of audio-visual, cinematography and multimedia as well as the organisation and classification of archives and printed matter.
49. Support the work conducted by the European Union-Latin America Working Group on Scientific and Technological Co-operation and the agreements derived from the IV and V Biregional Conferences held in June and October of 1998 in Madrid and Guatemala, respectively. In this sense, we will establish a working group of representatives of both regions for dialogue and advice on the best way to derive benefit, as concerns future scientific and technical co-operation between Latin America and the Caribbean and the European Union, from the possibilities offered in the Fifth Framework Programme of the European Community for research, technological development and demonstration activities, particularly through co-operation agreements, taking into account the specifics and capacities of the countries concerned, as well as the strategic importance of this sector in our new biregional partnership.
50. Promote and facilitate initiatives for co-operation and exchange in the field of science and technology. Special attention should be paid to the ties between production processes and scientific and technological research, including the ecological aspects that bear a positive effect on the sustainable development of both regions and their environment.
51. Give continued priority to the centres of excellence through trans-regional networks comprising institutions of an academic, scientific and technological nature. Within this framework, we undertake to promote the exchange of knowledge, co-operation in joint initiatives and the mobility of students and research workers between equivalent institutions of the respective regions. We also stress the importance of inter-university co-operation in the human, social and scientific fields and the need, *inter alia*, of a focal point for common research and training of highly qualified personnel, particularly in matters relating to development and integration processes.

52. Encourage the European Institutes and Institutions for Integration (Bruges, Florence and Maastricht), and the network of academic institutions of all Latin American and Caribbean countries and the European Union Member States, to support activities relating to research, post-graduate studies and training in the field of integration processes.
53. Strengthen regional integration policies and the development of the internal markets as fundamental growth and stability factors. For this purpose, we will support the adoption of common policies and co-ordinated sectoral approaches with a view to drawing the best advantage from the existing and future policies of trade liberalisation. Special attention will be given to combating cartels and to the creation of suitable legal and fiscal frameworks.
54. Continue to support the objectives and activities of regional institutions, such as the "Centro de Formación para la Integración Regional" (CEFIR), in Montevideo, aimed at the training of professionals in the public and private sectors and of new generations, strengthening specialised capacities in fields such as analysis, training and management of integration processes.
55. In order to ensure the most efficient use of the available financial resources and to maximise existing complementarities and synergies, agree on the special importance of the principle of subsidiarity and on the need to strengthen co-operation on all sides.

INTRODUCTION

The First Summit between the Heads of State and Government of Latin America and the Caribbean and the European Union, with the participation of the President of the European Commission, was held in the city of Rio de Janeiro, Brazil, on the 28th and 29th of June 1999, under the Co-Presidency of the President of the Federative Republic of Brazil, the President of the United Mexican States and the Chancellor of the Federal Republic of Germany in his capacity as President of the European Council. On the basis of this First Summit and the implementation of its decisions, a Second Summit could be organised in due course.

This historic Summit was convened as a result of the political will to enhance the already excellent biregional relations based upon shared values inherited from a common history. The objective of the Summit is to strengthen the links of political, economic and cultural understanding between the two regions in order to develop a strategic partnership.

The meeting of Foreign Ministers held on the eve of the Summit also reinforced this fruitful co-operation by their substantial contribution to the biregional dialogue.

To advance this process, the Heads of State and Government decided to implement the commitments contained in this declaration through the accompanying "Priorities for Action". This will be achieved through the well-established fora of political dialogue and co-operation and through further biregional efforts.

As a result of the deliberations that took place at the Summit, the Heads of State and Government of Latin America and the Caribbean and the European Union decided to adopt the following:

DECLARATION OF RIO DE JANEIRO

1. We, the Heads of State and Government of the European Union, Latin America and the Caribbean, have decided to promote and develop our relations towards a strategic biregional partnership, based upon the profound cultural heritage that unites us, and on the wealth and diversity of our respective cultural expressions. These have endowed us with strong multi-faceted identities, as well as the will to create an international environment which allows us to raise the level of the well-being of our societies and meet the principle of sustainable development,

- seizing the opportunities offered by an increasingly globalised world, in a spirit of equality, respect, alliance and co-operation between our regions.
2. The strategic partnership gathers together two important actors on the current international stage. Latin America and the Caribbean is set to be one of the most flourishing regions in the 21st century as a result of important progress made in the political, economic and social spheres in recent years. For this reason, the region is determined to persevere in the advancement of democratic processes, social equality, modernisation efforts, trade liberalisation and broad-based structural reforms. The European Union, in its turn, has advanced towards a historic integration with multiple implications at the global level on political, economic, social, financial and trade matters, which has brought about constant improvement in the living standards of their societies.
 3. This strategic partnership is based on full compliance with International Law, and the purposes and principles contained in the Charter of the United Nations, the principles of non-intervention, respect for sovereignty, equality among States, and self-determination are bases for the relations between our regions.
 4. This partnership is built upon and will contribute to the furthering of common objectives, such as strengthening representative and participatory democracy and individual freedom, the rule of law, good governance, pluralism, international peace and security, political stability and building confidence among nations.
 5. We highlight the universality of all human rights; the need to reverse environmental degradation and foster sustainable development through the conservation and sustainable use of natural resources; co-operation for the recovery, preservation, diffusion and expansion of cultural heritages; the efficient incorporation of scientific knowledge and technological advances in educational systems at all levels and the fight against poverty, as well as against social and gender inequalities.
 6. We welcome the progress made in integration in Europe and Latin America and the Caribbean in the political and economic areas under the principle of open regionalism.
 7. In this process we envisage providing new momentum and equal attention to the three following strategic dimensions: a fruitful political dialogue respectful of International Law; solid economic and financial relations based on a comprehensive and balanced liberalisation of trade and capital flows; and more dynamic and creative co-operation in the educational, scientific, technological, cultural, human and social fields.

8. The priorities for action adopted by the Summit will be promoted and implemented through the current ministerial discussions between the European Union and the countries and groups in Latin America, and between the European Union and Caribbean countries, in the framework of the Lome Convention. These discussions will maintain their present format and regularity. Ministerial meetings could also be held on certain matters of common interest, such as education, research, science.
9. We also decide to establish a biregional group at a Senior Official level. This group will meet regularly, monitor and encourage the achievement of the priorities for action, from a political viewpoint, and with the objective of contributing, on the basis of existing mechanisms, towards global dialogue with a view to strengthening the strategic biregional partnership in its political, economic, social, environmental, educational, cultural, technical and scientific dimensions.

In this context, we commit ourselves to:

In the political field:

10. Reinforce the existing institutional dialogues between both regions and promote direct communication between governments on matters of regional integration, in particular its political dimension, and international co-operation based on an exchange of experience and information.
11. Preserve democracy and the full and unrestricted functioning of democratic institutions, pluralism and the rule of law, by guaranteeing the holding of free, fair and open electoral processes based on universal suffrage as fundamental elements for economic and social development and strengthening of peace and stability.
12. Promote and protect all human rights and fundamental freedoms, including the right to development, taking into account their universal, interdependent and indivisible character, recognising that their promotion and protection is a responsibility of States and of all citizens. We stress that the international community has a legitimate interest in this task, under the Charter of the United Nations, with emphasis on the implementation of universal and regional human rights instruments and standards.
13. Strengthen education for peace and reject all forms of intolerance including xenophobia and racism, for the benefit of international and regional security and national development, as well as promote and protect the rights of the most vulnerable groups of society, particularly children, youth, disabled and displaced persons and migrant workers and their families.

14. Defend the principles of an independent and impartial judiciary, to promote, implement and uphold International Law and international humanitarian law. Recognise the importance of progressive development in the norms regarding the criminal responsibility of the individual who commits certain crimes of international repercussion. For this reason, we note with interest the recent approval of the Constitutive Statute of the International Criminal Court.
15. Reaffirm full gender equality as an inalienable, integral and indivisible part of all human rights and fundamental freedoms, thus committing ourselves to incorporate a gender perspective into the public policies of our governments.
16. Promote and protect the rights of indigenous populations, including their right to equally participate in and enjoy the opportunities and benefits of political, economic and social development, with full respect for their identities, cultures and traditions.
17. Intensify efforts to meet the needs of present and future generations through the adoption and fulfilment of sustainable development strategies, making compatible economic growth, environmental protection and social progress.
18. Give priority to overcoming poverty, marginalisation and social exclusion, within the framework of sustainable development promotion, as well as to modify patterns of production and consumption, to promote conservation of biological diversity and the global ecosystem, the sustainable use of natural resources and to prevent and reverse environmental degradation, especially that arising from excessive industrial concentration and inadequate patterns of consumption, the destruction of forests and erosion of the soils, as well as the depletion of the ozone layer and the increasing greenhouse effect, which threaten the world climate.
19. National and regional efforts in these fields, combined with international co-operation, will promote the right of individuals to a better quality of life and incorporate the whole population in the processes of economic and social development.
20. Recognise that, in the majority of countries, there is insufficient availability of internal resources to implement the range of the actions being proposed internationally to promote sustainable development. As such, we stress the need to promote adequate levels of investment and technology transfer.

21. Underline the importance of the contribution of new actors, partners and resources from civil society with the objective of consolidating democracy, social and economic development and deepening respect for human rights. International co-operation involving public resources requires a dialogue in which both governments and civil society participate. Development co-operation partners will have to comply with the laws of the countries involved, as well as with transparency and accountability. We will encourage exchange and co-operation of civil society between Latin America, the Caribbean and the European Union.
22. Work together to confront the threats to international peace and security and intensify efforts to continue the disarmament process under strict and effective international control, with emphasis on the elimination of weapons of mass destruction, including nuclear, chemical and biological weapons. In the framework of the Disarmament Agenda, we consider that, after entry into force of the convention of the prohibition of chemical weapons, one of the main objectives is the conclusion and adoption of the verification protocol of the convention on the prohibition of biological weapons, leading to eradicate this category of mass destruction weapons.
23. Attach special importance to achieving universal adherence to the Treaty of the Non-Proliferation of Nuclear Weapons, to fight against excessive and destabilising accumulation of small arms and light weapons, and their uncontrolled dissemination, and call upon all States to join efforts to achieve the total elimination of anti-personnel landmines.
24. Tackle the global drug problem under the principle of common and shared responsibility based on a global, comprehensive and balanced approach in full conformity with the purposes and principles of the Charter of the United Nations and International Law. The Panama Comprehensive Action Plan on Drugs is based on these principles and will give a new dimension to co-operation on drugs. The Co-ordination and Co-operation Mechanism between the European Union and Latin America and the Caribbean should be used to develop this co operation.
25. Also express our will to fulfil and to follow-up on the agreements reached at the XX Special Session of the United Nations General Assembly Dedicated to Common Action to Counter the Problem of Drugs.
26. Join efforts to combat all forms of organised transnational crime and related activities, such as money laundering, trafficking of women, children and migrants; the illegal manufacture and trade of firearms, munitions and other related materials.
27. Reinforce individual and joint actions against terrorism in all forms and manifestations, since the latter erodes peace, the rule of law and democracy.

28. Strengthen individual and joint actions and increase collaboration among our Governments to face corruption in all its forms, taking into account the important instruments recently adopted in both regions, since this serious problem erodes the legitimacy and functioning of institutions and represents a threat to democracy, society, the rule of law and development.
29. Join efforts to increase dialogue, international co-operation and the exchange of knowledge in the prevention of natural disasters, while taking advantage of experience gained through the United Nations International Decade for Natural Disaster Reduction. Moreover, initiatives in this field should consider the links between prompt emergency aid, rehabilitation and reconstruction, while observing criteria for long-term sustainable development.
30. In this context, acknowledge the efforts undertaken by the Governments and people of Central America for the reconstruction and transformation of their countries after the tragedy of hurricane "Mitch". We also attach great significance to international co-operation for the relief and reconstruction of Central America, in particular to contributions from Latin American and Caribbean countries, and to the successful implementation of the European Union plan for reconstruction of Central America, as well as to the efforts of the European Union Member States, amounting together to more than one billion euros.
31. Strengthen multilateral institutions, particularly as fora for international dispute resolution and the promotion of development. In this regard, we jointly support intensifying multilateral relations, including advancing the process of reforming the United Nations system, in the search for a new balance between its principal organs, so as to improve their effectiveness.

In the economic field:

32. Enhance international economic co-operation, to promote a comprehensive and mutually beneficial liberalisation of trade, as a means of increasing prosperity and of combating the destabilising effects of volatile financial flows. In this context, the asymmetries in development level shall be taken into account.
33. Reaffirm our conviction that regional integration plays an important role in growth promotion, trade liberalisation, economic and social development, democratic stability and a more symmetrical inclusion in the process of globalisation. We particularly stress our willingness to strengthen the multilateral trade system, open regionalism, and intensify economic relations between our regions.

34. Recognise the shared responsibility for an effective and result-oriented contribution to all these aspects.

Through our new interregional partnership we resolve in particular to:

35. Join our efforts to guarantee the complete and timely entry into force, and effective application of the Uruguay Round commitments.
36. Highlight the importance of the World Trade Organisation as the main forum to promote trade liberalisation and the establishment of basic rules and guidelines for the international trade system.
37. Jointly propose, at the next WTO Ministerial meeting, to launch a new round of comprehensive trade negotiations without excluding any area, directed towards the reduction of tariff and non-tariff barriers to trade in goods and services.
38. Reiterate our firm rejection of all measures of a unilateral character and with extraterritorial effect, which are contrary to International Law and the commonly accepted rules of free trade. We agree that this type of practice poses a serious threat to multilateralism.
39. Promote further development and diversification of trade, taking into account ongoing and future multilateral and bilateral negotiations for the liberalisation of trade, such as in the case of the European Union with Mexico, Mercosul and Chile, as well as future developments in our regions.
40. Promote dialogue on and stimulate a favourable climate for financial flows and for productive investment between Latin America and the Caribbean and the European Union, in particular the promotion of joint ventures, through the European Investment Bank (EIB), as well as of other co-operation instruments, such as bilateral investment promotion and reciprocal protection agreements.
41. Provide special attention and support for countries with smaller economies, including through incentives for productive investment. Favourable financing conditions and measures should be examined and implemented to provide a fair and adequate treatment to highly indebted poor countries in the specific and competent fora. In this regard, we welcome the agreement by the G7 Heads of State and Government of a new package of debt relief measures for the highly indebted poor countries.

42. Promote greater contact between economic agents and to encourage an enlarged dialogue between the members of the business community and sectoral fora on both sides, which are important for the relations between our regions, and in particular for sustained economic and social development.
43. Promote co-operation in science and technology in order to strengthen national capabilities in these areas and contribute to efforts, to tackle global problems; to encourage investment and business partnerships involving the transfer of technologies and know-how.
44. Support the strengthening and enforcement of intellectual property rights in all areas as an important condition for enhancing trade and investment flows.
45. Promote, in the context of globalisation and the progress of the information society, trade in services and to support new forms of co-operation in this field as important factors for closer economic ties between both regions.
46. Encourage technology transfer in order to improve the processes and standards of economic links between the European Union and Latin America and the Caribbean in the fields of the production of goods, foreign trade, port infrastructure, and telecommunications and transport.
47. Promote a favourable climate for small and medium enterprises whose role is important in the context of the development of stable market economies, for the furthering of economic exchanges and for the implementation of joint ventures between the two regions.
48. Underline the decisive role of efficient infrastructure, including transport, and administrative procedures for the liberalisation of trade and the intensification of economic co-operation.
49. Strengthen our partnership in development co-operation, which offers an important opportunity to put the shared values and ideals into practice and to mutual benefit.
50. Actively participate, in view of the seriousness and recurrence of financial crises and the severity of their impacts at national and international levels, in the design of a new international financial architecture, to allow both regions to obtain the full benefits of capital markets integration and reduce the risks involved with their volatility.
51. Continue strengthening the financial systems of our countries and to develop regulation and monitoring mechanisms, in order to implement international best standards and practices. This will contribute to establishing a dynamic, stable, international economic and financial

system. Such a system will ensure the prevention of future crises or, should they occur, assure their early identification and their rapid and effective solution so as to contain their spread.

52. Acknowledge that the introduction of the euro does contribute to strengthen our biregional economic and financial ties as well as the international monetary and financial system, and provide it with stability and dynamism.
53. Promote the active participation of our Governments in the consultations taking place at the United Nations on current trends in global financial flows. Joint efforts to reform the international financial system, as well as to define and to implement an agenda for international financial stability, which includes monitoring the global financial system for crisis prevention.

In the cultural, educational, scientific, technological, social and human fields:

54. Reiterate our commitment towards the establishment of a solid partnership between Latin America and the Caribbean and the European Union in the educational, cultural and human spheres, based on shared values and on the recognition of the importance of education for achieving social equality and scientific and technological progress. We also commit ourselves to conduct our relationships on the basis of the principles of equality and respect for plurality and diversity, without distinction of race, religion or gender, precepts that constitute the ideal means of achieving an open, tolerant and inclusive society where the individual's right to freedom and mutual respect is enshrined through equitable access to productive capacity, health, education and civil protection.
55. Agree that there is no better investment than developing human resources, which is both a commitment to social justice and a requirement for long-term economic growth.
56. Assign more resources to address the just and urgent social demands and to improve the scope and quality of our social programs.
57. Intend to share experiences between our two regions on diverse social policies that we apply so as to strengthen co-operation in this area, particularly in health, nutrition, education and employment.
58. Also stress the importance of creation of sufficient and well-paid and productive employment in our countries. For this purpose, education and professional training of workers of all ages is essential.

In particular, we agree to:

59. Promote the recuperation, preservation and a better knowledge of our vast cultural heritages, including patrimony, and of our diversity as a fundamental link of integration between Latin America and the Caribbean and the European Union, permitting closer and more enduring relations between our peoples and promoting cultural creativity as a dialogue for peace and tolerance.
60. Foster actions, in both regions as well as in multilateral fora, to promote cultural diversity and pluralism in the world.
61. Encourage interregional exchanges among educational and cultural actors as one of the most efficient and effective means to promote mutual understanding, learning and cultural production. The promotion of close contacts between artists and organisation in all cultural sectors will encourage respect for cultural and linguistic diversity, guaranteeing human dignity and social development.
62. Encourage further co-operation and exchange between cultural industries as well as in the audio-visual sector as major pillars in the cultural and economic co-operation, meeting an increased interest in high quality productions.
63. Consider the strengthening of educational co-operation as a special challenge, with particular emphasis on basic education, vocational training and co-operation between higher education institutions, including universities, and distance education, and take into account the particular needs of our societies. In this context we recall the successful co-operation programmes already in existence.
64. Promote universal access to education and professional training as determining factors for diminishing social inequalities, reducing poverty and achieving better paid employment, assuring a full basic education for all people of school age and the right of peoples to maintain their cultural and linguistic identity; we stress the right to education itself, based on the specific national responsibility of each country to provide adequate education to all its citizens.
65. Promote scientific research and technical development as fundamental elements in our relations and as an essential condition for the successful insertion of countries in a globalised world, which requires the advances of scientific knowledge, its mastery and adaptation to constantly evolving technology.

66. Favour innovation and technology transfer in order to obtain greater economic and technical linkage between the two regions in the fields of production of goods and services, foreign trade, infrastructure, and telecommunications and transport, among others.
 67. Welcome the various events promoted before and during the Summit involving different sectors of civil society
 68. These solemn commitments guide our current dialogue and our co-operation in inter-regional and international fora. At the same time, they contribute to the successful establishment of our strategic partnership.
 69. The participants expressed their profound gratitude to the people and Government of Brazil for the courtesy and support received in carrying the work of the Summit through to a successful conclusion.
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Agenda item 20 (c)

Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of international cooperation and coordination of efforts to study, mitigate and minimize the consequences of the Chernobyl disaster**Action undertaken in 1998-1999 to study, mitigate and minimize the effects of the Chernobyl disaster****Report of the Secretary-General****Contents**

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1-3	2
II. General situation	4-9	2
III. Coordination, advocacy and resource mobilization	10-16	3
IV. Programmes to address the consequences of the disaster	17-36	4
V. Concluding observations and future directions	37-39	6



I. Introduction

1. In December 1990, the General Assembly adopted resolution 45/190, in which it requested the Secretary-General to mobilize international cooperation to provide support and assistance to the areas most affected by the Chernobyl accident. Since 1993, this responsibility has rested with the Under-Secretary-General for Humanitarian Affairs, as set out in the annex to General Assembly resolution 46/182.
2. In resolution 52/172 of 16 December 1997 the General Assembly expressed profound concern about the ongoing effects of the Chernobyl disaster on the lives and health of people, in particular children, in the affected areas of Belarus, the Russian Federation and Ukraine. It also requested the Secretary-General to continue his efforts in the implementation of the relevant resolutions, with a view to encouraging the regular exchange of information, cooperation and coordination. Further, the General Assembly requested the Secretary-General to report on the implementation of resolution 52/172 at its fifty-fourth session. This report is submitted in response to that request.
3. The present report describes the action undertaken in 1998-1999 by the United Nations system, and by other entities to mitigate the lingering effects of the Chernobyl disaster. It also provides an overview of the strategy, coordination activities, and the role of the United Nations Coordinator of International Cooperation on Chernobyl. Most importantly, the report documents the difficulty of mobilizing resources to mitigate a disaster whose effects will span generations. The report concludes with observations regarding international efforts to address the continuous suffering of the affected population and to meet the world's collective responsibility to repair the damage.

II. General situation

4. The unprecedented nuclear accident at Chernobyl has had extremely complex consequences. It directly affected over 7 million people, including more than 3 million children, and contaminated a total area of 155,000 sq km. Thirteen years after the catastrophe, Chernobyl is still a major environmental and humanitarian problem.
5. Belarus received the majority of the radioactive fallout. As a result, 23 per cent of its territory and population was seriously affected. One hundred nine thousand persons, living in 415 locations affected by the Chernobyl accident, have been resettled; 20 per cent of the forests are still contaminated; and 6,000 sq km of agricultural land are mandatorily uncultivated at present. Some 9 per cent of the national expenditures is allocated for mitigation of the consequences of the Chernobyl accident.
6. In Ukraine, almost 3.5 million people have been directly affected by the accident, 1.3 million of whom were children. Today, half a million children continue to live in contaminated territories. The number of permanent invalids due to Chernobyl is over 5,000, and 91,200 people had to be resettled from the 30-kilometre exclusion zone around the site of the accident. Given the deterioration in the country's economic and social situation, in the first quarter of 1999 only half of planned governmental assistance was delivered to the population affected by Chernobyl.
7. In the Russian Federation, approximately 57,000 sq km, with a population of 2.7 million, were contaminated, including over 200,000 participants in the emergency work, 46,000 of whom are today disabled. While 50,000 people have been resettled from the most contaminated areas, 1.8 million people continue to live in contaminated areas, including 300,000 children. Today, 570,000 civilians are registered as affected. National assistance to the affected population amounted to only 60 per cent of what was needed in 1998.
8. Significant needs remain in the areas of health and environment in the three countries. The most pressing needs are in psycho-social rehabilitation, especially for children, and housing for the liquidators. It is also necessary to strengthen primary health care in the affected regions and to improve the prevention, detection and treatment of illnesses. It is important to support the social and psychological rehabilitation centres and address the psychological trauma which resulted from prolonged panic in the hearts and minds of people, the long reign of despair and confusion and the unprecedented socio-economic impact.
9. It is also imperative to bolster the economic recovery of these regions by encouraging local industries to produce healthful products, to control their radiation levels and to address the issue of environmental decontamination. While significant international attention has been paid to the technical and engineering aspects of the accident, to date the international community has not devoted sufficient resources to help heal the human suffering in the affected countries. Regardless of how difficult it is to draw a clear distinction between the problems caused by the disaster and those brought on by political and social change, there is recognition that adverse conditions exist. These are

legitimate needs that must be met and balanced with the need to contain the radiological hazard of Chernobyl.

III. Coordination, advocacy and resource mobilization

10. As United Nations Coordinator of International Cooperation on Chernobyl, the Under-Secretary-General for Humanitarian Affairs has taken a leading role in international cooperation and assistance efforts through coordination, strategy formulation and promotion, resource mobilization, advocacy and public awareness activities, as requested in a series of resolutions of the General Assembly in 1990-1997, most recently resolution 52/172. During the reporting period, the Coordinator defined a new strategy based on a better prioritized assistance programme, increased local coordination and a more targeted approach to public information and resource mobilization.

11. In 1997, the Department of Humanitarian Affairs led an inter-agency assessment mission which defined, in cooperation with authorities of Belarus, the Russian Federation and Ukraine, the Inter-Agency Programme of International Assistance to Areas Affected by the Chernobyl Disaster. Donor support for the Programme, which included 60 projects, was extremely weak. Of the US\$ 90 million required, only \$1.5 million was pledged. The common message from the donor community was that the Programme needed to be prioritized.

12. To address this requirement, the Coordinator carried out a mission to Belarus, the Russian Federation and Ukraine in October 1998 in order to obtain first-hand information on the situation, review ongoing projects and revise, as necessary, the strategy for cooperation. During the mission, he held in-depth discussions with members of the three Governments, parliamentarians and other senior officials directly involved in Chernobyl-related activities. In collaboration with resident coordinators, local aid teams and the affected Governments, three high priority projects were selected per country, using the following criteria: acuteness of the problems; prospects for donor funding; and strong support from the national authorities. The nine priority projects, totalling \$9.51 million, are the basis for the 1999 United Nations Appeal for International Cooperation on Chernobyl, which was circulated to the donor missions and embassies in Geneva, New York, Minsk, Moscow and Kiev in May 1999. Thus far, donors have not made any pledges to the revised appeal.

13. In order better to coordinate the work of United Nations field offices, national authorities and donor representatives, the Chernobyl Coordinator has promoted the establishment of United Nations country team core groups on Chernobyl which include the resident coordinator offices in Kiev, Minsk and Moscow. The offices facilitate coordination with the national authorities, institutions and the local donor community on activities related to Chernobyl. The United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Development Programme (UNDP) and the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat supported this work with an office in Kiev which coordinates activities related to the community development centres in Belarus, the Russian Federation and Ukraine. The office of the World Health Organization's International Thyroid Project in Minsk is also involved in this field coordination effort.

14. Together with the Quadripartite Committee for Coordination on Chernobyl, which consists of the ministers responsible for Chernobyl-related affairs and the Chernobyl Coordinator, the United Nations Inter-Agency Task Force on Chernobyl is one of the principal international coordination mechanisms. The Task Force includes the United Nations agencies involved in Chernobyl-related assistance as well as other major international organizations working in this field. The Office for the Coordination of Humanitarian Affairs has followed up on the decisions and recommendations of the Task Force, evaluating proposals for aid projects, coordinating agency contributions and actions, producing and disseminating updated information on Chernobyl-related activities. The Office is also administering the Chernobyl Trust Fund and mobilizing resources for cooperative endeavours. The Quadripartite Committee, the Inter-Agency Task Force and the country team core groups have proved instrumental in enhancing effective coordination and ensured the identification of gaps and the promotion of complementarity between projects.

15. At present, the Chernobyl Trust Fund, administered by the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat, has a balance of \$170,000, more than half of which is a loan. Most of these funds are already obligated to cover the most urgent needs, including support to rehabilitation centres. Decisions concerning the use of the Fund resources are made in close consultation with the members of the Quadripartite Committee, the donors and the United Nations resident coordinators based in the affected countries. In 1998-1999, a little less than \$677,000 was channelled through the Trust Fund to support various programmes, including the creation of a socio-

psychological rehabilitation centre in Belarus, the training of staff at rehabilitation centres in the three countries, ultrasound screening of population in four regions of the Russian Federation, a feasibility study for the construction of the Chernobyl protection dyke in Ukraine, and a project of economic rehabilitation in Belarus. Immediate support is required from the donor community to replenish the Fund if the immediate high priority needs identified in the revised appeal of 1999 are to be met.

16. A more targeted fund-raising programme with donor Governments and non-traditional sources of funding was initiated, along with an awareness and advocacy campaign involving media, non-governmental organizations and research institutions. Contacts between the Chernobyl Coordinator and foundations, nuclear and electricity companies, private donors and non-governmental organizations have led to the mobilization of additional resources (\$131,000) for international cooperation on Chernobyl. However, the lack of resources has imposed some limitation to the programme's capacities to undertake a broad awareness-raising campaign. During the reporting period, the Inter-Agency Task Force on Chernobyl sponsored several international conferences. In 1999, a page dedicated to Chernobyl was established on the Web site of the Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat, and an information booklet on the subject is being prepared.

IV. Programmes to address the consequences of the disaster

17. This section outlines ongoing programmes and projects to address immediate problems in the key sectors of health, socio-psychological and environmental rehabilitation, economic recovery, nuclear safety and employment. Several programmes and projects received limited financial support from the Chernobyl Trust Fund. The voluntary contributions to the Fund, amounting to \$600,000 during 1998-1999, did not allow even the most critical needs to be addressed. Consequently, many of the programmes and projects are under-funded and lack the resources to cope with the residual consequences of the accident. United Nations funds, programmes and agencies raised extrabudgetary resources to implement the projects described below.

Health

18. Programmes to study and mitigate the health consequences of the accident continued. However,

programmes to help alleviate the health problems of the population have not kept pace. The United Nations Scientific Committee on the Effects of Atomic Radiation, the United Nations Children's Fund (UNICEF) and WHO are the United Nations organizations primarily involved in assisting the Governments in documenting and mitigating health consequences.

19. UNICEF has striven for the alleviation of iodine deficiency disorders, improvement of the water supply and sanitation monitoring, and psychological rehabilitation. Significant resources are devoted to support the Children of Chernobyl Project which attempts to develop a sustainable system of health rehabilitation for higher risk groups of children who were exposed to radiation. UNICEF funds earmarked for Chernobyl-related projects in 1998-1999 amounted to \$300,000.

20. WHO pursued medical and epidemiological monitoring of the affected population in Belarus, the Russian Federation and Ukraine. Particular attention has been paid to the risk of leukemia, lymphoma and thyroid cancer, especially among the Chernobyl "liquidators", the emergency and rescue personnel who were subjected to radiation exposure while responding to the disaster. WHO funds earmarked for its Chernobyl programmes in 1998-1999 amounted to \$500,000. Key projects such as the establishment of an international database for risk assessment of low doses of ionizing radiation are behind schedule and in danger of abandonment, due to lack of resources.

Socio-psychological rehabilitation

21. Since UNESCO will be phasing out its assistance by the end of 1999, it is crucial to work towards the sustainability of the 10 community rehabilitation centres established in the three affected countries. The Office for the Coordination of Humanitarian Affairs of the United Nations Secretariat has increased its efforts to mobilize additional resources for their continuation. The UNESCO funds earmarked for the centres in 1998-1999 were less than \$90,000.

Socio-economic rehabilitation and employment

22. With time, it becomes more difficult to associate population displacement and economic and social disruption directly with the 1986 accident. Nonetheless, without social and economic recovery the consequences will persist even longer.

23. The International Labour Organization (ILO) has carried out several projects providing vocational training to the persons left unemployed and displaced as a consequence

of the Chernobyl accident. Employment training programmes have been established in the Gomel and Mozyr regions of Belarus and in the city of Slavutich in Ukraine. The ILO funds earmarked for this project in 1999 total \$100,000.

24. The Food and Agriculture Organization of the United Nations (FAO) has begun a pilot project in Belarus to produce bio-lubricants from the rapeseed grown on contaminated land. Over 1.4 million hectares of prime agricultural land in Belarus is still contaminated. Belarus imports almost all of the lubricant and fuel oils needed for energy, electricity and transport. Preliminary studies have shown that oil produced by several varieties of rapeseed and linseed is devoid of contamination and thus suitable for use in the aforementioned industries. The project has significant economic potential but requires additional support if it is to develop beyond the pilot stage.

25. The Economic Commission for Europe (ECE), in cooperation with the International Atomic Energy Agency (IAEA), has been actively involved in follow-up environmental projects defined in the Inter-Agency Programme. Of particular importance is the regional project for the integrated management of radiation-contaminated forests in the three affected countries where the lack of radiation standards for wood products still hampers the recovery of that vital export sector of the economy.

26. The United Nations Industrial Development Organization (UNIDO) proposed a strategy for producing non-contaminated baby food in the region. The project has been submitted to the United Nations Fund for International Partnerships. The possibility of financial investments and joint ventures involving other industries in the affected countries is also being examined.

Environmental protection and nuclear safety

27. Most of the major projects directly involving the safety of the Chernobyl site are being conducted under the auspices of the G-7 Shelter Improvement Programme. However, United Nations agencies are actively involved in mitigating radiation effects and preventing any similar accident.

28. The UNDP Office in Moscow has funded and coordinated a project on water quality evaluation and availability in areas affected by the accident, with a budget of \$280,000. It will evaluate the radio-ecological status of the national water systems and propose changes, in order to ensure a safe water supply in the highly contaminated Bryansk region. The office has prepared a proposal for the decontamination of the Russian forests.

29. IAEA has given high priority to mitigating the consequences of the Chernobyl accident in the three most affected countries. Its programme addressed the management of radioactive waste; upgrading radiation therapy facilities; harmonization of radiation measurement procedures; management and inspection capacity in the nuclear power plants; reduction of radionuclides in the human food environment; radiation protection; nuclear accident preparedness; and environmental rehabilitation of affected territories.

Programme and project support

30. The Office for the Coordination of Humanitarian Affairs, regularly deployed missions to the region, which contributed to the preparation of the programmes proposed for funding. In addition to evaluating the programmes and monitoring progress, the teams strove to promote synergy among existing programmes. UNDP, through its offices in Kiev, Minsk and Moscow, provided the monitoring, procurement and back-stopping support to all programmes funded from the Chernobyl Trust Fund and enhanced the work of the local Chernobyl core groups.

31. In addition to organizations of the United Nations system, the United Nations Inter-Agency Task Force on Chernobyl includes international, regional, and non-governmental organizations actively working on Chernobyl matters. Those organizations have focused mainly on issues of nuclear safety and on social and health-related assistance.

32. The Chernobyl Unit #4 shelter, also known as the Sarcophagus, has deteriorated significantly since its construction in 1986 and now poses a threat of radioactive leakage and possible collapse. A shelter implementation plan, developed by international experts in 1997, is intended to improve the safety level of the shelter. The plan was endorsed by Ukraine, the Group of Seven, and the European Union. At the end of 1997, the European Bank for Reconstruction and Development (EBRD) began to administer the newly established Chernobyl Shelter Fund. The shelter implementation plan is estimated to cost around \$760 million and its implementation is expected to take nine years. Thus far, about half of the required funds have been promised, including an in-kind contribution of \$50 million by Ukraine. In its additional role as administrator of the Nuclear Safety Account, EBRD has been cooperating with Chernobyl nuclear power plants to improve the safety of Unit #3. The total cost of the Nuclear Safety Account projects is about \$120 million.

33. The International Federation of the Red Cross and Red Crescent Societies (IFRC) continues its long-standing

commitment to the disaster victims by administering its Chernobyl Humanitarian Assistance and Rehabilitation Programme (CHARP). The programme has evolved significantly. Its services now include screening of food supplies and the environment through radiometric testing, distributing measuring equipment (dosimeters), procuring and transporting mobile diagnostic laboratories, monitoring background radiation, providing medical examinations to people in remote areas, and distributing health information. It focuses on children and adults who were children at the time of the accident. These groups are the most susceptible to thyroid gland pathologies. The Federation requires continuous funding to maintain the current rate of screening of 60,000 to 90,000 persons per year and thereby ensure that all of the persons 18 or under at the time of the disaster are screened by the year 2006. The IFRC yearly appeal is for \$1.5 million.

34. Since 1997, a psycho-social support programme has been part of the CHARP in Belarus. It assists the population in contaminated territories to overcome radiation-related stress by providing reliable and easily understandable information. The programme is implemented by the Visiting Nurses Service and the Belarus Red Cross.

35. The Nuclear Energy Agency (NEA) of the Organization for Economic Cooperation and Development (OECD) has set up a working group on the social aspects of the accident's aftermath. Belarussian and Ukrainian experts have participated in NEA exercises on emergency preparedness for nuclear accidents. Furthermore, experts from Ukraine have been invited to participate in NEA activities and exchange information on nuclear safety, regulatory capability, waste management and decision-making.

36. The European Commission (EC) remains very active in the fields of nuclear emergency preparedness, nuclear safety and radiation protection in countries most affected by Chernobyl. Specific EC programmes include the development of analytical equipment and systems for affected areas; emergency preparedness; and guidance on long-term public health protection measures. In addition, the EC contributed to the EBRD-administered shelter fund to support the transformation of the existing shelter into a safe and environmentally stable form of protection. Further two pilot projects have been commissioned to mitigate the social and economic consequences of plant closure on the city of Slavutich, where most of the Chernobyl workers live.

V. Concluding observations and future directions

37. The United Nations programmes aimed at addressing the "human" consequences of the Chernobyl disaster have been chronically under-funded for many reasons. While much is known about the effects of radiation exposure on individual human beings and their environment, the persistent problems caused by psychological trauma and the socio-economic impact of countermeasures such as relocation, restriction on agricultural practices or anxiety due to the feeling of living in a soiled habitat have not been fully appreciated. The Chernobyl accident is hard to classify since it is neither a traditional emergency nor a developmental issue. Subsequently, budgetary constraints are faced by some donor States as Chernobyl falls into a budgetary gap. Among the factors that might also have contributed to a certain donor fatigue vis-à-vis Chernobyl is the question of whether health, environmental, social and economic hardship are the sole results of Chernobyl. Finally the many natural disasters and complex emergencies which have occurred over the past two years have made it difficult for Chernobyl to remain in the limelight and be perceived as a priority by the donor community.

38. The radiological conditions in the area surrounding Chernobyl have largely improved, and this is attributable to the international commitment to improved nuclear safety at Chernobyl which allowed for the construction and now the reinforcement of the shelter over the affected unit of the nuclear plant. However, the human consequences of the accident are still very acute in certain groups of the affected population. The Group of Seven expects to complete the Chernobyl site rehabilitation in 2007. A contribution from donor countries comprising less than 5 per cent of the amount pledged for the shelter consolidation would enable us to address outstanding needs and encourage local planning for the future of the most affected region.

39. Member States, multilateral institutions and private donors are urged once again to support the highly prioritized projects presented in the 1999 United Nations Appeal for International Cooperation on Chernobyl by contributing to the Chernobyl Trust Fund. These resources requested are the minimum required to mitigate serious human consequences of the Chernobyl disaster and to show solidarity with the Governments of Belarus, the Russian Federation and Ukraine which continue to carry the burden of the catastrophe.



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Human resources management

Human resources management

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the following subjects: competitive examination for promotion to the Professional category of staff members from other categories (A/C.5/54/2); hiring and use of consultants in the Secretariat (A/54/164); consultants and individual contractors (A/C.5/54/4); administrative issuances on delegation of authority (A/54/257); and amendments to the Staff Regulations (A/54/276). During the consideration of the reports, representatives of the Secretary-General provided additional information.

Competitive examination for promotion to the Professional category of staff members from other categories

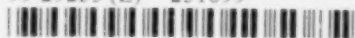
2. The note by the Secretary-General contained in document A/C.5/54/2 is in response to section V, paragraph 22, of General Assembly resolution 53/221 of 7 April 1999, by which the Assembly requested the Secretary-General to complete the realignment with the national competitive examination of the competitive examination for promotion to the Professional category and above of staff members from other categories (G to P exam), in particular regarding academic qualifications and equitable geographical

distribution, as well as equal treatment with regard to probationary appointments.

3. The Advisory Committee points out that the statement in paragraph 2 of the note, referring to the request of several delegations, is not in keeping with past practice whereby formal submissions of the Secretary-General are produced in response to decisions of legislative bodies and/or their subsidiary organs rather than requests of individual Members. That notwithstanding, the Committee is of the opinion that it is incumbent upon the Secretary-General, in his capacity as Chief Administrative Officer, to draw the attention of the General Assembly to matters of concern regarding the administration of the Organization, including the implementation of decisions already taken by the Assembly.

4. In paragraph 103 of its first report on the proposed programme budget for the biennium 2000-2001,¹ the Advisory Committee addressed the need, in developing personnel policy, to carefully consider all the implications that might arise from implementation of a particular personnel policy directive. The Committee is strongly of the opinion that in future such an analysis should precede final action or legislative initiatives on personnel policy.

5. As is indicated below, the Advisory Committee believes that additional policy decisions are required in a number of instances. In view of the impact of this matter on



the administration of the staff, the Committee recommends that it be taken up by the General Assembly at the first part of its fifty-fifth session.

6. The first policy issue that needs to be addressed is whether the G to P examination is a promotion exercise or a means of recruitment. There has been some confusion in this regard in the past. The G to P examination most directly derives from a recommendation of the Joint Inspection Unit in a report on General Service staff of the United Nations and Geneva-based specialized agencies, which was transmitted to the General Assembly in document A/32/327 of 7 November 1977.² In paragraph 82 of that report the Inspectors stated

"They believe that the staff members of the General Service category should be given an opportunity to be promoted to the Professional category by means of competitive examinations. The admission to the examinations should take into account the necessity for equitable geographical distribution. The eligibility requirements for a General Service staff member to be permitted to sit for the examinations could, *inter alia*, include:

- to be at the two highest grading levels of the General Service category;
- to hold a university degree;
- to have had not less than five years' continuous service in a United Nations organization;
- to have a very good performance report.

Competitive examinations should be arranged on the basis of equality of General Service staff members with outside candidates."

7. In its resolution 33/143 of 20 December 1978, the General Assembly took note with appreciation of the above-mentioned report of the Joint Inspection Unit. In section I, paragraph 1 (g), it stated that:

"Movement of staff from the General Service category to the Professional category should be limited to the P-1 and P-2 levels and be permitted up to 30 per cent of the total posts available for appointment at those levels, and such recruitment should be conducted exclusively through competitive methods of selection from General Service staff with at least five years' experience and post-secondary educational qualifications".

The foregoing provision gives rise to a problem of interpretation, since "movement of staff" implies an internal exercise. This can involve a lateral move, promotion or even demotion, but it is not a recruitment action; nevertheless, this action is referred to later in the same sentence as "such recruitment". Moreover, in paragraph 10 of the annex to its resolution 35/210 of 17 December 1980, the General Assembly stated that at the P-1 and P-2 levels, recruitment should be made as a rule through competitive examinations.

8. It is thus necessary for the General Assembly to decide whether the G to P examination is a recruitment or a promotion exercise; this, in turn, will have a determinative effect on how the necessity for equitable geographical distribution will be recognized.

9. If it is decided that the G to P examination is a recruitment exercise, it would be a decision that there are two entirely separate and distinct categories of staff and career tracks — one essentially locally recruited and the other internationally recruited — and that there can be no internal movement between them. Under those circumstances, the General Assembly may wish to consider whether it is necessary and desirable to continue the G to P examination exercise. It may be far more efficient, as well as more transparent, to conduct recruitment through the national competitive examination, requiring all eligible persons who seek Professional positions to take that examination;³ as such, they would be automatically subject to geographical requirements. Consideration could be given to allowing an exemption from the age restriction for staff who have served five years or more.

10. On the other hand, if the General Assembly confirms that the G to P examination is a promotion exercise, then a number of other considerations would apply, primarily with regard to the question of equitable geographical distribution. In this connection, paragraph 12 of the note by the Secretary-General (A/C.5/54/2) could lead to confusion. The Advisory Committee points out that Article 101 of the Charter of the United Nations provides that due regard should be paid to the importance of recruiting the staff on as wide a geographical basis as possible. Geographical considerations are thus an important factor in the recruitment of the staff. Up to now, however, it has been a distinguishing feature of the international civil service that staff undertake their duties without distinction as to their nationality; their conditions of employment, as well as staff regulation 4.2, approved by the General Assembly, reflect this.

11. Under these circumstances, it could be said that the General Assembly, in its resolution 33/143, took into account the necessity of equitable geographical distribution,

as called for by the Joint Inspection Unit (see para. 6 above), when it limited movement of staff from the General Service to the Professional category to 30 per cent of the posts available at the P-1 and P-2 levels. Seen another way, it could also be stated that the fact that up to 30 per cent of available entry-level Professional posts were made available for a group that is almost by definition not geographically balanced was in order to recognize other factors, such as the desirability of maximizing the ability of the Organization to make full use of the capabilities and acquired knowledge and skills of its staff by encouraging the career development of staff as well as fostering gender equality.

12. Upon request, the Advisory Committee was provided with additional information on staff promoted through the G to P examination since 1979, broken down by gender, nationality and representation status (see annex I) and on staff appointed through the national competitive examination since 1974 (see annex II).

13. In conclusion, the Advisory Committee has recommended that the General Assembly provide a policy decision on whether the G to P examination is a recruitment or a promotion exercise. This decision, in turn, could lead to a decision on whether to abolish the G to P examination, with all eligible applicants for Professional posts taking the national competitive examination (see para. 9 above) or to maintain the G to P examination (see paras. 10 and 11 above).

14. If the General Assembly should take decisions on these matters, it may then wish to request the Secretary-General to prepare specific proposals for their implementation. This would be consistent with the procedure outlined by the Advisory Committee in paragraph 103 of its first report on the proposed programme budget for the biennium 2000-2001.¹ If the G to P examination is to be maintained, these proposals should take into account the possibility of establishing a roster for promotion from year to year and an analysis of the 30 per cent ceiling with options for its revision. The Assembly would also need to indicate the interim arrangements that should be followed pending its consideration of the note by the Secretary-General.

Consultants and individual contractors

15. The Advisory Committee has examined the reports of the Secretary-General on the hiring and use of consultants in the Secretariat (A/54/164) and on consultants and individual contractors (A/C.5/54/4), which were submitted in accordance with section VIII, paragraphs 3 and 4 respectively, of General Assembly resolution 53/221.

16. The Advisory Committee takes note of the report of the Secretary-General on the implementation of recommendations by the Board of Auditors on the hiring and use of consultants (A/54/164) and recognizes that with the issuance of the comprehensive guidelines for the use of consultants and the establishment of a roster and arrangements for reporting to the General Assembly, the issues raised by the Board have been addressed. The development of the Integrated Management Information System (IMIS) will permit improved monitoring of the implementation of the guidelines and improved reporting to the Assembly. The Committee points out, however, that to the extent possible there should be a monitoring mechanism in place to ensure the impartial evaluation of the performance of consultants. In some cases this may require evaluation by a party that was not involved in the selection process.

17. The Advisory Committee welcomes the report of the Secretary-General on consultants and individual contractors (A/C.5/54/4) and the considerable improvement in the quality of the document as compared to previous reports on the subject. It also commends the transparency of the report, which will allow for constructive discussion.

18. The Advisory Committee notes that at Headquarters and other duty stations where Release 3 has been implemented, the use of IMIS in the collection of information on consultants and individual contractors has been particularly valuable. The Committee understands that there have been difficulties in data collection and that the installation of Release 3 at all duty stations, which is scheduled for completion by December 2000, will assist in the process of global compilation and management of data in the future. The Committee points out that the implementation of Release 3 at all duty stations should permit earlier issuance of the report, and encourages the Secretariat to explore the possibility of issuing it in a manner that would permit the Committee to take it into account when it considers the proposed programme budget.

19. In the opinion of the Advisory Committee, the presentation of expenditures for consultants and individual contractors needs refinement, and, to that end, the method of accounting for costs and their classification between extrabudgetary and regular budget funding should be improved. The Committee is also of the opinion that the presentation in some of the tables requires refinement. For example, the category "non-retired former staff" in table I of annex I to the report was found to be confusing; an explanatory footnote would be helpful. Also in table I, the Committee notes the significant number of consultants and individual contractors for whom there was no information

about level of education and no evaluation of performance. The collection and analysis of this kind of information should be improved. In table 7, the Committee notes a marked difference in the figures for consultants in the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda. Such an anomaly should be explained in a footnote.

20. As indicated in table 2 and paragraph 10 of the report, although consultants from 158 countries were engaged in 1998, 5 countries accounted for one third of all consultants engaged. Individual contractors were engaged from 91 countries, of which 6 countries accounted for more than half of all engagements. The Advisory Committee is of the opinion that, in accordance with section VIII, paragraphs 9 to 11, of General Assembly resolution 53/221, continued efforts should be made to select consultants and individual contractors on a wider geographical basis.

21. The Advisory Committee takes note of the definitions of consultants and individual contractors contained in administrative instruction ST/AI/1999/7. However, in the view of the Committee, the definitions are too broad, and the definition for individual contractors, in particular, includes activities and arrangements that might better be described as outsourcing. The Committee recommends that future reports include a separate table of contractual services, and that more precise definitions be used.

Delegation of authority

22. The Advisory Committee considered the report of the Secretary-General on administrative issuances on delegation of authority (A/54/257), which was submitted pursuant to section IV, paragraph 9, of General Assembly resolution 53/221. Pursuant to section IV of the resolution, procedures should be in place to monitor the implementation of the delegation of authority. In the view of the Committee, this should be done throughout the Organization. Moreover, there is an urgent need to carry out an exercise to simplify and streamline the rules for delegation of authority. The Secretariat was unable to assure the Committee as to when this might be achieved.

Amendments to the Staff Regulations

23. The Advisory Committee takes note of the report of the Secretary-General on amendments to the Staff Regulations (A/54/276), which was submitted in accordance with paragraph 11 of General Assembly resolution 52/252

of 8 September 1998. The Committee has no comments to make on the report. In a related matter, the Committee requested but did not receive a clear indication of the prospect of completing the task of simplifying the Staff Regulations.

Post structure of the Secretariat

24. The Advisory Committee has considered the report of the Secretary-General on the post structure of the Secretariat (A/53/955), which was referred to in paragraph 48 of its first report on the proposed programme budget for the biennium 2000-2001.¹ The Committee has requested information on the post structure of the Secretariat for the biennium 1986-1987, as well as information on extrabudgetary (including support account) posts for all programmes, with the exception of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, from the biennium 1986-1987 to the biennium 1998-1999. In paragraph 55 of its report, the Committee also reiterated its request for information on the number of personnel with permanent contracts assigned to peacekeeping or other field missions, the number of Assistant Secretary-General and Under-Secretary-General posts in the United Nations and its programmes in 1989 as compared with 1999 and the percentage of permanent and fixed-term contracts in 1989 as compared with 1999. The Committee requests that this information be provided to the Fifth Committee at the first part of the fifty-fourth session of the General Assembly.

Notes

¹ *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 7 (A/54/7)*

² The matter has actually been under discussion in the Joint Inspection Unit, the Administrative Management Service and the Advisory Committee since 1971. See, for example, the report of the Advisory Committee contained in document A/9841 of 8 November 1974, paras 17-23.

³ Eligible staff currently have the option of taking the national competitive examination.

Annex I

Staff promoted through the G to P examination since 1979 as at August 1999

<i>Nationality</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>	<i>Range</i>	<i>Staff^a</i>
Non-member State					
Switzerland	1	0	1	-	0
Total	1	0	1		
Under-represented States					
China	1	0	1	40-55	39
Germany	2	0	2	126-170	124
Indonesia	1	0	1	8-18	7
Japan	1	0	1	250-338	106
Total	5	0	5		
States within the desirable range and below the mid-point					
Antigua and Barbuda	1	0	1	1-14	1
Argentina	1	2	3	16-26	18
Austria	7	3	10	14-24	17
Barbados	1	1	2	1-14	3
Belize	0	1	1	1-14	1
Cyprus	0	1	1	1-14	4
Ecuador	0	1	1	1-14	5
Eritrea	0	1	1	1-14	4
Greece	1	0	1	6-16	10
Grenada	0	1	1	1-14	2
Guinea	0	1	1	1-14	4
Haiti	1	1	2	1-14	4
Malta	1	0	1	1-14	3
Saint Vincent and the Grenadines	1	0	1	1-14	5
Sweden	3	2	5	17-26	19
United States of America	77	24	101	314-425	345
Total	94	39	133		
States within the desirable range and above the mid-point					
Australia	4	0	4	22-32	31
Bahamas	1	0	1	1-14	7
Bangladesh	0	1	1	4-14	10
Belgium	0	2	2	17-26	22
Brazil	1	1	2	25-35	33
Bulgaria	1	0	1	1-14	13

<i>Nationality</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>	<i>Range</i>	<i>Staff^a</i>
Egypt	1	0	1	3-14	14
El Salvador	0	1	1	1-14	9
France	6	5	11	85-116	105
Guyana	4	1	5	1-14	14
Ireland	3	3	6	4-14	13
Jamaica	7	3	10	1-14	14
Lebanon	2	0	2	1-14	14
Liberia	1	0	1	1-14	7
Madagascar	0	1	1	1-14	7
Malaysia	1	0	1	4-14	11
Mexico	1	0	1	17-27	23
New Zealand	0	1	1	4-14	12
Nigeria	0	1	1	4-14	13
Singapore	0	1	1	3-14	9
Spain	1	2	3	37-50	44
Sri Lanka	2	2	4	1-14	7
Sudan	0	1	1	2-14	9
Syrian Arab Republic	1	0	1	2-14	8
Tunisia	0	1	1	1-14	10
United Kingdom of Great Britain and Northern Ireland	25	8	33	68-92	85
United Republic of Tanzania	1	1	2	2-14	11
Uruguay	0	1	1	2-14	10
Total	63	37	100		
Over-represented States					
Canada	1	0	1	39-53	55
Chile	9	13	22	3-14	32
Ethiopia	4	12	16	2-14	21
India	10	22	32	26-36	42
Pakistan	2	2	4	5-14	19
Peru	2	2	4	3-14	16
Philippines	34	18	52	4-14	61
Thailand	10	11	21	5-14	27
Trinidad and Tobago	9	3	12	1-14	15
Total	81	83	164		
Grand total	244	159	403		

Note: As at 31 March 1999, a total of 166 successful candidates were from 10 over-represented States (Philippines 52, India 31, Chile 23, Thailand 21, Ethiopia 16, Trinidad and Tobago 12, Pakistan 4, Peru 4, Lebanon 2 and Canada 1). As at 30 June 1999, Lebanon was no longer over-represented. The present annex has been modified accordingly.

^a Total staff subject to geographical distribution.

Annex II

**Staff appointed through national competitive examination
since 1974 as at August 1999**

<i>Nationality</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
Armenia	0	5	5
Australia	5	4	9
Bahamas	5	1	6
Belarus	0	2	2
Bhutan	0	3	3
Bolivia	0	1	1
Botswana	1	1	2
Brazil	4	13	17
Burundi	1	3	4
Canada	0	1	1
Cape Verde	0	2	2
Central African Republic	0	4	4
Chile	0	1	1
China	5	1	6
Costa Rica	0	2	2
Croatia	2	2	4
Cuba	2	3	5
Czech Republic	0	4	4
Democratic People's Republic of Korea	0	1	1
Denmark	2	5	7
Dominica	1	1	2
Dominican Republic	0	2	2
Ecuador	1	2	3
El Salvador	3	3	6
Equatorial Guinea	0	1	1
Eritrea	2	3	5
Estonia	2	2	4
France	9	6	15
Gabon	0	1	1
Germany	30	49	79
Greece	1	3	4
Grenada	0	1	1
Haiti	1	0	1
Honduras	0	1	1
Hungary	2	3	5
Iceland	0	5	5
Indonesia	1	3	4
Israel	2	6	8
Italy	17	33	50
Japan	53	40	93

<i>Nationality</i>	<i>Female</i>	<i>Male</i>	<i>Total</i>
Latvia	2	2	4
Liechtenstein	1	0	1
Lithuania	2	1	3
Luxembourg	1	2	3
Mexico	1	3	4
Mongolia	2	1	3
Namibia	1	5	6
Netherlands	4	9	13
New Zealand	3	2	5
Nicaragua	4	2	6
Norway	8	8	16
Panama	1	2	3
Papua New Guinea	0	4	4
Paraguay	1	1	2
Portugal	1	4	5
Republic of Korea	7	11	18
Romania	1	3	4
Russian Federation	1	7	8
Rwanda	0	4	4
Saint Kitts and Nevis	3	1	4
Saint Lucia	1	2	3
Saint Vincent and the Grenadines	0	1	1
Saudi Arabia	1	2	3
Slovakia	0	5	5
South Africa	1	3	4
Spain	9	9	18
Swaziland	1	0	1
The former Yugoslav Republic of Macedonia	1	2	3
Ukraine	1	5	6
United Kingdom of Great Britain and Northern Ireland	0	2	2
United States of America	12	8	20
Venezuela	4	1	5
Viet Nam	1	0	1
Yugoslavia	0	5	5
Expired nationalities ^a	0	3	3
Grand total	228	344	572

Note: The data contained in IMIS relating to successful candidates in the national competitive examination include active staff members as at 1 January 1986. Staff who left the Organization prior to that date are not included in the database, which also does not include staff transferred to the United Nations Industrial Development Organization in 1986. A very small number of exams were organized on a pilot basis prior to 1979.

^a German Democratic Republic, Union of Soviet Socialist Republics and Czechoslovakia

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Sectoral policy questions: business and development**Business and development****Report of the Secretary-General***Summary*

The present report is submitted in pursuance of General Assembly resolution 52/209 of 18 December 1997. The private sector can play a very important role in fostering economic growth and development. The United Nations system is actively involved in facilitating an active and constructive involvement of the private sector in the development process through a twofold approach.

On one hand it performs the essential role of developing a supportive international "soft infrastructure" for the orderly interaction of business. It also assists member countries, particularly developing countries and countries in economic transition, through a myriad of initiatives to create an enabling environment for private sector development. These activities range from the creation of supportive legal and fiscal frameworks; the development of privatization policies and processes; the liberalization of financial flows; the regulation of capital markets; the adoption of competition policies and laws; deregulation or simplification of regulations and processes applicable to business; and the development of entrepreneurship.

On the other hand, the United Nations system is active in facilitating the participation of the private sector in the pursuance of the goals of the global conferences; in embracing universal principles and norms, including those relating to environment, human rights and gender, and in fostering the involvement of the private sector in promoting economic growth, fighting poverty and rebuilding nations after conflict or crisis.



Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1-4	3
II. Promoting an enabling environment for private sector development	5-40	3
III. Framework for business as a partner in development	41-57	10
Annex		
List of contributing United Nations organizations		14

I. Introduction

1. The present report is submitted in response to General Assembly resolution 52/209 of 18 December 1997, in which the Assembly requested the Secretary-General, *inter alia*, to prepare a report, in cooperation with the relevant United Nations bodies, for the fifty-fourth session of the General Assembly, on "Business and development". It provides information on the activities of the United Nations in the promotion of the enabling environment for the business sector as well as on the increasing efforts for a partnership with business to realize the norms and goals established in the various United Nations conferences of the 1990s.
2. Over the years the United Nations system has helped to establish a certain roadmap, without which economic transactions between nations would be chaotic.¹ Through the range of its activities from data collection to the establishment of conventions and treaties, the United Nations has contributed to the promotion of order through rule-based activity. Many of these processes are well established and the credit that is due to the United Nations system, is sometimes forgotten. In this search for order in international transactions the work of the Organization has been guided by the Charter of the United Nations, incorporating a promotional and a value dimension. The invisible support structure has helped firms and businesses in all countries, *inter alia*, by facilitating transport and communications, sharing information, establishing rights and determining compensation.
3. In the 1990s the relationship between business and the United Nations became more intense as business took the stage as a major actor and partner at United Nations conferences. The involvement of business and interest groups in the conference process, in particular the multilateral environmental agreements, had several aspects, including a major effort by some groups to protect business interests. The involvement has also led to greater awareness of environmental and social issues, which is demonstrated today in many of the corporate policy statements issued by firms, reflecting the concerns and promoting the goals adopted at these conferences. Business has to be a partner in development. This is part of the global compact proposed at the World Economic Forum at Davos, Switzerland, in January 1999.
4. The diverse nature of the relationship between business and development was recognized in resolution 52/209. While recognizing the role of the private sector, the resolution put national specificities into perspective, as well as underscoring the roles of a supportive international

economic environment, public sector and informal sector involvement, microcredit, small and medium-sized enterprises and cooperatives for development. United Nations activities in this area have been diverse and vary from country to country.

II. Promoting an enabling environment for private sector development

5. Among the most frequent issues in discussions on creating an enabling environment for private investment and business are the following: the unpredictability of national policies; the absence of transparency and accountability in government; the lack of a supportive policy framework and marketable property rights; as well as corruption, bribery and fraud. For example, the presence of a properly functioning national system of administration of justice is a central element of a country's business climate and a fundamental issue for enterprises. In many cases, while laws are generally considered as adequate, proper enforcement is difficult (shortage of competent judges, inadequate support structure, etc.). To help in overcoming these barriers to business transactions, several programmes dealing with related issues and other reform and regulatory measures to promote the development of the private sector, for example, the Programme for Accountability and Transparency of the United Nations Development Programme (UNDP), have been undertaken by United Nations entities, including by the Division for Public Economics and Public Administration of the Department of Economic and Social Affairs and the Management Development and Governance Division of UNDP.
6. The United Nations Conference on Trade and Development (UNCTAD) has continued to implement, in the context of its Policy Framework for Attracting Foreign Investment programme, a series of activities related to providing assistance to Governments in the development of an improved legal and fiscal framework for investment. UNCTAD also carries out investment policy reviews, which include an examination of the country's objectives and competitive position in attracting foreign direct investment; an audit of the country's foreign direct investment policy framework and administrative structures and procedures; a survey of firms to obtain investor's perceptions and experiences; a round-table meeting of stakeholders to discuss preliminary findings, policy options and recommendations; and a presentation at appropriate intergovernmental and international forums.

7. Understanding the complexities and deriving an optimal mix of policy for achieving the overall objective of a fiscal environment for private sector development requires adherence to certain principles of taxation, such as non-discrimination, non-retroactive effect, adherence to legal provisions, and independent appeal. These principles are also the basis for an enabling environment for private sector development. The Department of Economic and Social Affairs has been very active in advising Governments on fiscal and monetary policies and instruments aimed at encouraging and facilitating private sector development. Tax parameters influencing the decisions of an investor, as well as the structure of his enterprise, are numerous: tax rates, deductible expenses, carry-back and carry-forward of losses, depreciation rates and tax benefits, tax breaks and holidays, as well as bilateral tax arrangements. The complexity of such tax systems make their transparency, unambiguity, predictability, coherence and fairness a necessity for investors.

8. Globalization, liberalization and integration generate certain constraints with regard to tariff levels, forcing countries to adjust gradually to lower customs revenues. Therefore, the importance of foreign trade taxes to government financing is reduced. Subsequently, there has been a shift in the basis of taxation away from tariffs and towards domestic taxes. Developing countries, however, have to deal with issues which are increasingly difficult, such as tax policy and administration, tax evasion and tax avoidance. Widespread efforts are needed to streamline administrative rules and procedures and to incorporate modern information technologies into the processing and auditing of tax returns, tax collection and refund procedures in an effort to reduce collection costs and improve the productivity of revenue services. In this connection, the Department of Economic and Social Affairs provides policy advice and technical support to strengthen national capacity in tax policy, tax administration and international cooperation, both through its regular programme and through the Ad Hoc Group of Experts on International Cooperation in Tax Matters.

9. Privatization calls for expertise at the level of general strategic options, as well as at the technical level of selecting, *inter alia*, the method for privatizing transfer of ownership or shares, selling of assets, privatization of management or some of its functions and all kind of measures for removing State control. These operations generally raise complex policy and legal issues such as the issue of transforming a public monopoly into a private one. This is evidenced by the findings of several studies and reports, including a study on public sector management

reform in Asia and the Pacific undertaken by the Department of Economic and Social Affairs in 1998. The authors of the study analysed the changing roles and relationships of the private and public sectors in seven countries of the region. The Department of Economic and Social Affairs has also published two sets of workshop papers on privatization: "Privatization of public sector activities, with a special focus on telecommunications, energy, health and community services" and "Privatization in Latin America".

10. The liberalization of financial flows among industrialized and many developing countries, floating exchange rates, financial innovations and new communications techniques have increased the volatility of flows. Developing and transition economies are highly vulnerable to financial volatility and contagion. An appropriate policy response to deal with large-scale capital flows, in light of the recent economic and financial crisis in Asia, needs examination. More specifically, policy options that could enable the concerned economies to reap the benefits of international capital flows while avoiding their disruptive consequences need to be developed. In this respect, it is obvious that strong domestic financial systems, regulation and supervision are essential elements to attract long-term capital flows, including foreign direct investment, to ensure the transformation of short-term capital into long-term investment and to encourage the mobilization of additional domestic savings from the private sector.

11. Apart from measures aimed at improving, complementing and updating existing legislation for organizing stock markets, new legislation is required in some areas and needs to be adapted to reflect the actual financial market practices, financial instruments, financial products and the regulatory framework. In this respect, special programmes to create an organized and transparent secondary market have been undertaken by several United Nations organizations. For example, the Economic and Social Commission for Asia and the Pacific (ESCAP) assisted in setting up a domestic and service provider for the level market in one country. Also, a pilot seminar organized by UNCTAD and co-sponsored by the United Nations Industrial Development Organization (UNIDO) for the promotion of private investment flows to the least developed countries was held in Geneva in June 1997. The seminar examined how investment funds could be used to attract foreign investment flows in the least developed countries, with particular reference to tourism, agro-industries and infrastructures.

12. In addition to the above-mentioned measures aimed at developing a capital market, the following measures should be undertaken: designing a disclosure system;

providing incentives to private sector companies to be listed; encouraging private undertakings to go public; listing foreign companies; creating market-makers; developing a bond market; and encouraging commercial banks to promote portfolio management services. The recent Asian crisis has shown the link between financial transparency, investor confidence and financial stability. The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, which is serviced by UNCTAD, has, as one objective, the harmonization of national accounting standards via the adoption and use of international accounting standards. In 1998, the Working Group adopted guidelines for accounting and financial reporting for environmental costs and liabilities, which will provide assistance to enterprises, regulators and standard-setting bodies on best practices in accounting for environmental transactions.

13. Despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still do not have up-to-date competition legislation and policies, or do not apply them with full effectiveness. In this connection, the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices calls for the provision of technical assistance and advisory and training programmes to these countries. In this respect, technical assistance related to the preparation, elaboration or revision of national competition legislation was provided to many countries by UNCTAD. The Department of Economic and Social Affairs has also been active in this area, advising developing countries on formulating and implementing post-privatization policies aimed at promoting competition and protecting consumers' rights.

14. Attracting export-oriented investment is a major aspect of the policies adopted in a number of developing countries and countries in transition. Policies to attract export-oriented investments found their full expression in the implementation of exception regimes, including export processing zones, free points, free economic zones and offshore centres for commercial, financial and other services. The implementation of such a policy is not easy and the issues are complex and numerous. Some are linked to international economic relations, the incentives set and possible retaliation measures by trading partners of the country hosting a free zone. Other issues concern the provision of services through private entrepreneurs and the many possible contractual variations depending, notably, on the nature of the service.

15. Major regulatory and administrative issues are labour regulation, the supply of local inputs, access to the domestic market, competition in foreign markets between free economic zone products and domestic goods, relations between zone authorities and users, contractual arrangements between zone authorities and investors and import regulations and customs procedures and practices. Advisory services were provided by United Nations entities in the various policy areas to attract export-oriented activities. For example, UNCTAD assisted Sao Tome and Principe in establishing a free economic zone. UNCTAD also conducted a feasibility study for the Palestinian Authority, entitled "The development of an industrial state in Nablus: project feasibility, implementation strategy and environmental impact". Another feasibility study was also undertaken jointly by UNCTAD and UNIDO to evaluate a proposed site for an export processing zone in Uganda.

16. In most developing countries and economies in transition, there is a dearth of knowledge of services and their critical role in national economy. Efforts were made by United Nations organizations to enable the Governments of developing countries and countries in transition to respond to the changing international environment. The Coordinated African Programme of Assistance on Services, which is implemented by UNCTAD, aims at developing endogenous policy-making capacity in areas of domestic service sector policy, regional integration services and multilateral negotiations on trade in services involving many African countries.

17. Most developing countries need to place more emphasis on developing infrastructure and business services in attempting to improve their competitive edge: the availability of basic utilities has proved to be a necessary condition for the enhancement of the profitability of many firms. Countries should thus make substantial investments in national infrastructure facilities, even though the capital and technology needed to upgrade such facilities to international standards are lacking in most developing countries. Several United Nations agencies promote private sector involvement and public-private partnerships in infrastructure projects. A number of consultative meetings with Governments have been held at which recommendations on implementing the national strategies for attracting private investment in infrastructure were made and comments on specific projects provided. Notably, the Department of Economic and Social Affairs supports performance contracting as a supplement to programmes of privatization and has issued guidelines for use by developing countries. The Department has issued a publication, entitled "Public enterprise reform and performance contracting: the

state of the art". Also, pursuant to a decision taken in 1996 by the United Nations Commission on International Trade Law (UNCITRAL), the Secretariat recently finalized a draft legislative guide on privately financed infrastructure projects to assist States in preparing or modernizing legislation relevant to these projects.

18. In some developing countries, Governments considering public-private partnership in public services resorted in many cases to concession and/or "Build, Operate and Transfer" type contracts. Under the auspices of the Economic Commission for Europe, a group of private sector experts has formed a self-financed advisory group with the objective of formulating guidelines on build, operate and transfer financing techniques for central and eastern Europe. In addition, the Commission's Working Party on International Contract Practices in Industry promotes private sector involvement and public-private partnerships in infrastructure projects and prepares a series of guides on best practices as regards contractual relations. Moreover, as negotiating contracts with the private sector requires a command of innovative financial techniques and sophisticated legal and fiscal structures, as well as expertise in a variety of other disciplines, UNCTAD provides assistance to developing countries when dealing with any issue that arises in their negotiations with private firms, especially transnational corporations.

19. Research and development in science and technology play a key role in determining a firm's competitiveness and the commercial life of its products and services. In order to facilitate access to technology for developing countries and economies in transition, UNCTAD has developed a technical cooperation programme, which consists of a science, technology and innovation policy review. The purpose of the reviews, which have been undertaken in a few countries, is to enable developing countries to evaluate the efficiency with which their scientific and technological, as well as their industrial, economic, educational and social institutions and mechanisms contribute to the technological development of their enterprises. Workshops⁹ organized by United Nations entities, notably by the Economic Commission for Europe, for companies operating in transition economies aim at transferring commercial know-how to those countries. In addition, the Department of Economic and Social Affairs has organized a number of events relating to the transfer of environmentally sound technology with participation of businesses, including an exhibit, entitled "Business and the United Nations: partners in sustainable development", an expert meeting on corporate environmental accounting and the second Regional Conference of the Americas on Cleaner Production. Many economies in transition possess

considerable scientific and technological capacity, which could be, and in some cases already is, developed and commercialized. However, the process of securing financing for research and development purposes, protecting the intellectual property that results from such research and effectively linking the research and development activities with industry abroad has proven difficult in the new market-oriented environment.

20. The United Nations system also recognizes the increasing role of information and technology in the industrialization process of developing countries and the role of government in support of business and public-private collaboration. In response to the priorities of its business plan, emphasizing global forum functions, UNIDO assumes full responsibility for the collection and verification of industrial statistics for all countries that are not members of the Organisation for Economic Cooperation and Development. Industrial development cannot succeed without the ability of the manufacturing sector in a particular developing country being able to satisfy a given need of an end-user for a particular product. In order to foster business development, UNIDO's quality, standardization and metrology programme develops quality infrastructure through metrology, standardization, certification and accreditation and promotes capacity-building at the institutional and operational level through continuous improvement and quality management.

21. With a view to securing public and entrepreneurs' interest, Governments are increasingly establishing specialized agencies or designating a specific ministry, or inter-ministerial body, to deal with business matters and issues. For example, investment legislation is increasingly sanctioning the establishment of "one-stop shops" or "one-stop-approval centres" to process and facilitate the registration or approval of investment proposals. In fact, there is a trend in these regulatory bodies to transform themselves into promotion agencies and sometimes facilitators at the post-investment phase. Such transformation implies not only staff training, but also fundamental change in attitudes and oriented action. UNCTAD has developed a special programme to assist developing countries and economies in transition in strengthening their investment institutions, in particular their investment promotion agencies, in streamlining their modes of operation and approval. Institutional support was provided to the World Association of Investment Promotion Agencies, whose main objective is to develop cooperation among investment promotion agencies. UNIDO also provides assistance in the establishment of new or in the upgrading of existing investment promotion agencies through advisory

services on organizational structures, legal setups and operations and training on the identification, formulation and appraisal of industrial investment and technology partnership projects.

22. The intense competition unleashed by the twin process of globalization and liberalization has aggravated the traditional "access" problems of small and medium-sized enterprises to markets, finance, business skills and technology. The survival and the development of small and medium-sized enterprises requires that Governments adopt ad hoc policies and programmes aimed at creating the appropriate environment for them. In order to promote a proper environment, United Nations agencies have carried out research on the subject, organized intergovernmental discussions and designed and implemented related technical cooperation projects covering the areas outlined in the paragraphs below (see paras. 23-27).

23. Recognizing the significant role played by multinational corporations in stimulating economic change, and the benefits gained by small and medium-sized enterprises in linking up with such entities, UNIDO has developed a new approach in formulating and delivering technical assistance. Under a new private-public partnership programme, an alliance between multinational corporations, host Governments, universities and civil society organizations is proposed, whereby a strategy is formulated to identify challenges and opportunities faced by the small and medium-sized enterprises. Based on a sector or industry-specific needs assessment, priorities and strategic focus is defined by the partners and a targeted technical cooperation activity is designed and delivered to the enterprises.

24. Partnering, networking and clustering have proven to be effective ways to solve some of the "access" problems experienced by small and medium-sized enterprises, particularly in increasing competitiveness and developing new processes and product technologies. In this respect, creative partnerships among firms, involving the blending of capital, technology, marketing and management expertise, have become important tools. Extensive research was undertaken by UNCTAD on partnering, networking and clustering as options for small and medium-sized enterprises to enhance their growth potential.

25. A wide range of United Nations technical assistance activities have complemented policy analysis, research and intergovernmental discussions on enterprise development. Among the strategic goals of this technical assistance are the diffusion of best practices identified by research and discussion and the development of a critical mass of domestic entrepreneurs who can contribute to poverty

alleviation through job creation and structural change through technological progress. The technical assistance consists basically of permanent programmes, as well as a series of ad hoc projects. These projects provide direct assistance aimed at building private sector capacity, often of small-scale enterprises. While much work in supporting small and medium-sized enterprises in the past has focused on the provision of financial services, the last two years have shown a shift towards a more balanced approach, which also emphasizes the delivery of non-financial business development services.

26. One of the notable permanent programmes is the EMPRETEC programme (Entrepreneurship and Small and Medium-sized Enterprises), an integrated capacity-building programme aimed at stimulating the development of entrepreneurial capabilities and the growth of innovative and competitive small and medium-sized enterprises. It constitutes an inter-agency programme (the Department of Economic and Social Affairs, UNCTAD and UNDP) coordinated by UNCTAD. Among its main achievements, EMPRETEC has identified and trained numerous entrepreneurs (one third women) from many countries. It has helped many of them to enter global markets and organized strong national coalitions among entrepreneurs, public and private institutions, universities, business associations and chambers of commerce and national and foreign companies.

27. To facilitate foreign direct investment by small and medium-sized enterprises and to maximize their contribution to development, UNCTAD has developed a technical cooperation programme among developing countries of Asia. An international conference, "Small and medium-sized enterprises-foreign direct investment-development: attracting small and medium-sized enterprises and promoting development in developing Asia" took place in Kunming, China, in October 1997. In addition, a handbook on foreign direct investment by small and medium-sized enterprises: lessons from Asia, has been prepared and published in May 1998. Another capacity-building programme, "Mediterranean 2000", is being implemented to stimulate the growth and competitiveness of small and medium-sized enterprises in several developing countries of the Mediterranean basin and the Horn of Africa. Integrated project activities are carried out by UNCTAD in cooperation with the International Organization for Standardization (ISO), the International Trade Centre (ITC), UNIDO, the Food and Agriculture Organization of the United Nations (FAO) and the Turin Centre of the International Labour Organization (ILO). Mediterranean 2000, which has been designed in a modular fashion so that it can be tailored to

individual country situations, is expected to complement existing programmes in the region.

28. Any concrete contribution to a more efficient informal sector implies the following actions: (a) identifying the relevant relationships among the various factors affecting the functioning of micro-enterprises, (b) facilitating the process of dialogue between informal sector operations and government and (c) assisting in the development of problem solving and business management skills. Microcredit, as an instrument for poverty alleviation, is gaining momentum in many developing countries. In fact, global demand for micro-finance services is estimated to comprise 500 million poor households. But micro-finance programmes currently reach only 2 to 5 per cent of these households. Because of the lack of policy support for the promotion of viable microcredit facilities, as well as the absence of institutional and human capacity to deliver services, the concept has not realized its full potential. However, the United Nations has developed strategies and modalities for improving the capacities of micro-financing agencies to effectively discharge their responsibilities. The UNDP special unit for micro-finance brings together the MicroStart programme, which innovates new ventures in micro-finance, and the United Nations Capital Development Fund, which focuses on micro-finance in the poorest countries and rural areas. UNIDO's approach in this area is to formulate and implement strategies and programmes to promote and develop micro- and small-scale industries in rural areas, particularly in least developed countries and sub-Saharan Africa.

29. A study sponsored by the Economic Commission for Africa on reconciling formal and informal micro-financing systems and practices in Africa seeks to find means of reconciling micro-financing systems so that, through them, the increasing credit demand of micro- and small enterprises can be met. It also seeks to open discussion on Africa's over-dependence on external resources, to promote strong domestic financial markets and systems and to integrate micro-financing in financial sector reforms. United Nations agencies supported national projects whose objectives are the development of micro-credit schemes. For example, the Department of Economic and Social Affairs promoted microcredit schemes aimed at income-generating activities for poor households as part of a country's reintegration and poverty alleviation efforts.

30. In the area of service investment and trade liberalization, UNCTAD, UNDP and the World Bank jointly assisted developing countries to assess the gains that they might derive from opening their services markets to foreign services providers, either through investment or trade. The

World Tourism Organization (WTO) was particularly preoccupied by the impact of the Asian monetary and financial crisis on tourism. According to the WTO, the crisis in the Russian Federation and, to a lesser extent, in Latin America called for a readjustment of short-term forecasts and, at the very least, for a questioning of the validity of longer-term forecasts. In this regard, the macro-economic measurement of tourism remains inadequate. This must indeed change in the interest of public and private policy makers.

31. In the mineral sector, the Department of Economic and Social Affairs pursued its advisory activities in the formulation of strategies and legislation to achieve self-reliance, attract investment and ensure the sustainability of mineral sector development and the protection and preservation of ecosystems. Principles calling for technology transfer, reduced trade and investment barriers and transparent environmental regulation are encouraged. Such principles, which are embodied in the Guidelines on Sustainable Mining Operations, were jointly compiled by the Department of Economic and Social Affairs and the United Nations Environment Programme (UNEP) in 1998. The Department is also providing advisory services to Governments and technically supports energy projects at the field level, encouraging more involvement of the private sector and local communities. These services have been accompanied, since 1997, by training activities. As part of the efforts to promote private sector involvement in the rural energy market, entrepreneurs are trained to engage in the manufacturing, supply and service activities pertaining to renewable energy systems and many countries benefiting from this project.

32. Among the major disruptions that have affected business regulatory frameworks worldwide is the transition from a centralized to a market economy. In most cases, the changes that have taken place called for institutional notions and legal concepts and mechanisms that were previously lacking. Therefore, a great effort needs to be made in order to create a legal framework conducive to business transactions. Major initiatives are under way in countries with economies in transition to facilitate the implementation of market-based policies, practices and principles in key sectors of these economies. Among these initiatives is the creation of the Gas Centre, within the framework of the Committee on Sustainable Energy of the Economic Commission for Europe, which offers the unique feature of a direct contribution of data and experiences and a focal point to promote cooperation and harmonization of norms and practices among companies and Governments in key areas such as price policies, restructuring and privatizing.

tax policies and rules and regulations. Another ECE initiative is the Energy Efficient 2000 Project, which assists countries of central and eastern Europe and the Commonwealth of Independent States to enhance their energy efficiency and security to ease the energy supply constraints of economic transition. The objective of the third phase of the Project (1997-2000) is to strengthen trade and cooperation on policies, energy efficient and environmentally sound technologies and management practices between participating States.

33. Efforts aimed at regional economic integration, and in response to the globalization process, were intensively pursued during the last two years. These efforts took place, in particular, in the area of regional harmonization of laws and regulations affecting trade, investment and business transactions in general. Various trade liberalization schemes have been launched at regional and subregional levels. Underscoring these schemes are plans for stabilizing and gradually removing tariffs and non-tariff barriers to trade and investment, harmonizing customs duties and internal taxes, facilitating trade and investment flows through exchange of information and other promotional services and abolishing restrictions on the movement of people, goods, services and investments across borders.

34. Some United Nations regional commissions are promoting policies to facilitate and enhance the process of economic cooperation and integration. Most of the activities undertaken consist of analysing constraints and other factors affecting the integration process and assisting member States in articulating and implementing policies and strategies to help advance it at both the subregional and regional levels. For example, the Economic Commission for Africa is actively assisting African countries in implementing integration measures, at the regional and subregional levels, within the framework of the Treaty Establishing the African Economic Community. It also advises regional institutions, namely, the African Economic Community, which is to be established, as well as subregional organizations such as the Economic Community of West African States, the Arab Maghreb Union, the Common Market for Eastern and Southern Africa, the Southern African Development Community and the Intergovernmental Authority on Development, on main policy issues.

35. Many recurrent and non-recurrent publications of regional secretariats, such as the Economic and Social Commission for Asia and the Pacific, have addressed regional issues, including policies, institutional-building and regional cooperation, financial sector reforms in countries in the region, trade and investments in the region. Some surveys considered the major trends in the world and their

relevance to developments in the region. The main outputs of analytical work have been: the economic and social survey of Asia and the Pacific, the serial publications on studies in trade and investment, and the *Small Industry Bulletin for Asia and the Pacific*. The Economic and Social Commission for Western Asia has undertaken a study on the causes and effects of inflation in the region, analysing developments of direct interest to the business community that have implications for the political and macroeconomic stability of the region. The Commission has also completed studies on the challenges and opportunities of the World Trade Organization Agreement in selected areas of special interest to the countries of the region.

36. United Nations organizations assist regional and subregional integration groupings of developing countries in realizing and maximizing their potential benefits in terms of expanding trade and investment flows among members, and thus promoting their economic development. Such assistance includes policy advice on tariff reduction, market access, rules of origin related to the formation of free trade areas and customs unions and the effects of free trade areas or customs unions. United Nations organizations also help developing countries in negotiating and concluding regional agreements, as well as agreements with developed countries. For example, in the formulation of a free trade agreement for the Southern African Development Community, technical and advisory support was received from UNCTAD. It also provided support to South Africa in matters relating to trade effects and rules of origin of the proposed South Africa-European Union free trade agreement.

37. The reorientation of European Union trade policy towards third countries has resulted in drastic changes in market access and trade relations for the developing countries of the Mediterranean region. Notably, the establishment of a European-Mediterranean free trade zone by 2010 involves bilateral association agreements between the European Union and individual countries. The establishment of the association agreements will also involve areas beyond trade in goods, such as the adaptation of trade related policies, especially as regards intellectual property rights, competition law and customs cooperation standards. UNCTAD will assist the Mediterranean countries to negotiate and implement the agreements and to lay the groundwork for the establishment of free trade agreements among Mediterranean countries, and will also familiarize the business community with the coverage and depth of the tariff cuts and other preferential market access provisions of the agreements.

38. United Nations assistance was extended to efforts made by developing countries to improve their enabling

framework at the regional level, mainly through harmonizing laws and regulations. There are many arguments in favour of such harmonization at the regional level. First, it would contribute to reducing conflicts between member countries' norms and lead to a more efficient allocation of resources caused by the great number and variety of regulations on this issue. Second, a framework of regional rules and commitments, supported by a dispute settlement mechanism, would contribute to the continuity of policies. Third, it would encourage intra-regional trade and the access by investors to the region market. Fourth, it would help member countries in their current quest for integrating their economies within the global economy. In 1997, a regional project was initiated by UNCTAD to harmonize relevant business legislation in Arab countries. Case studies of investment regulatory and institutional framework in Arab countries, as well as an overview on investment policy issues and challenges in the Arab world, were completed. The declaration adopted by the seminar calls for the continuation of the harmonization process and the establishment of annual meetings to discuss investment and its promotion in the Arab world.

39. A major task of United Nations organizations consists in identifying and analysing, in the light of the main features of the institutional framework for international transactions, the major substantive and strategic issues in policy making, which may be on the negotiating table at sometime in the future. This is in view, particularly, of advising on modernizing and harmonizing national frameworks, taking into consideration existing regional commitments and, more importantly, applicable multilateral norms, especially within the World Trade Organization (WTO). There is a need for international support to strengthen the institutional infrastructure of developing countries and to help them acquire the needed skills to identify the main issues and policies concerning their integration into the international economy on terms that will increase their economic progress and leave them better equipped to compete internationally, while at the same time recognizing their special development priorities and concerns. In addition, many developing countries, who are currently members of WTO and started the process of accession in the course of the Uruguay Round negotiations, failed to fully anticipate the consequences of membership on their particular trade and development interests. The implementation of membership obligations has posed two distinct types of problems for these countries: first, problems derived from their own processes of interpretation and domestic implementation of the agreements; and second, problems arising from the parallel processes of other WTO members. Moreover, special

difficulties characterize most domestic exercises in implementation. They could be summarized as follows: (a) notifications to the WTO secretariat that involve sharing of specific information; (b) eliminating trade-restrictive measures; (c) establishing national institutions; and (d) compulsory legislative enactment and the formulation of procedures.

40. While African countries are highly dependent on foreign trade, export-led growth remains constrained by weak production structures and heavy reliance on a narrow range of primary exports. In October 1997, UNCTAD launched a new cycle of country-specific studies in selected African countries on the impact and dynamic effects of the Uruguay Round and its follow-up on national development objectives. As a response to a decision taken at the ninth session of the Conference on Trade and Development (UNCTAD IX) on assisting developing countries in effectively integrating the international trading system, an ITC/UNCTAD/WTO joint integration technical assistance programme for Africa has been undertaken. The programme was designed in view of ensuring human resource development and institutional strengthening by focusing on the implementation of the Uruguay Round agreements.

III. Framework for business as a partner in development

41. The United Nations system plays a critical and unique role in providing and facilitating the intergovernmental dialogue necessary for the formulation of policies and guidelines for international cooperation relating to business and development.

42. In the 1990s, increased attention has been paid to social issues and environmental protection as essential elements of development, as reflected in the 1990 World Summit for Children, the 1992 United Nations Conference on Environment and Development, the 1994 International Conference on Population and Development, the 1995 World Summit for Social Development, the 1995 Fourth World Conference on Women and the United Nations Centre for Human Settlements (Habitat II), held in 1996.

43. More recently the Secretary-General launched an initiative at the 1999 meeting of the World Economic Forum in Davos, Switzerland, proposing a global compact between the United Nations and business. The compact asks business to advocate a stronger United Nations and to embrace, within this sphere of influence, universal principles derived from the World Summit for Social Development, the United

Nations Conference on Environment and Development and the Universal Declaration of Human Rights, such as protecting human rights within their sphere of influence, supporting the abolition of child labour and taking a precautionary approach to environmental challenges. The United Nations, for its part, would continue to make a strong case for free trade and open global markets. The International Chamber of Commerce and other business organizations have welcomed the Secretary-General's proposal and expressed their readiness to cooperate with the organization in this common endeavour.

44. The three United Nations entities most directly involved in the global compact, ILO, UNEP and the Office of the United Nations High Commissioner for Human Rights, are currently joining their advocacy strength and pooling their experiences in order to facilitate the translation of the nine principles into corporate practice. A new Web site on global corporate citizenship is under construction, projecting the collective strength of the three agencies while at the same time drawing on outside expertise.

45. A new Web site (un.org/partners/business) has been established in response to the Secretary-General's reform proposal to engage the corporate community in the work of the Organization. The United Nations and business Web site serves as a virtual enterprise liaison facility, offering the private sector a one stop-entry into the United Nations system. All United Nations organizations, including specialized agencies, the Bretton Woods institutions and WTO are participating in this network and explain how their work relates to the private sector and how interested corporations can interact.

46. The contribution of the business community to United Nations activities has taken different forms, including participation in debates, technical inputs to norm setting or background papers, secondment of experts, co-organization of workshops and study tours and financing for specific activities. In this respect, UNDP developed "Guidelines and procedures for mobilization of resources from the private sector" which materialized in several initiatives for such mobilization, notably the Global Sustainable Development Facility project, the Public/Private Partnership Programme (PPP) for the urban environment, the United Nations International Short-term Advisory Resources (UNISTAR) programme and the UNDP Energy and Atmosphere Programme.

47. A number of developing countries have given significant attention to the issue of women's access to productive resources and are adopting programmes to mainstream gender into economic development, especially

microcredit programmes for women entrepreneurs. In this regard, United Nations agencies have made some significant inroads in providing support for women entrepreneurs. The main approaches for addressing this issue in recent years have been through technical and advisory services, as well as institution building. For example, the Federation of African Women Entrepreneurs was created to give them voice. For its part, ILO identified the fundamental problems affecting gender equality and the laying of the groundwork for equality practices at the workplace in several countries. The women entrepreneurship development (WED) programme is an established dimension of UNIDO's technical cooperation programme. Owing to the industrial nature of its activities, these programmes also focus on the sub-sectoral needs of women, on case-by-case basis, according to identified demand and potential.

48. An increasing preoccupation of United Nations organizations relates to child labour. An initiative was undertaken by ILO in identifying strategies and mobilizing action by employers to combat child labour at national, regional and international levels, while promoting employment for adult family members. This action materialized in the ILO International Programme on the Elimination of Child Labour.

49. With the onset of globalization and deregulation, and the consequent rapid changes in the business environment, it is clear that the growth of independent, representative and strong organizations of employers constitutes an essential condition for the formulation and effective implementation of labour market policies that enhance enterprise competitiveness and socio-economic development. This further promotes the capacity of these organizations to engage in meaningful and effective bipartite (employers-workers) and tripartite (government-employers-workers) dialogue.

50. The lobbying role of employers' organizations should not be neglected, particularly in economies in transition, where there is an urgent need to influence the changing policy, legal and business environment. Such adaptation implies an up-to-date information and research base. In this respect, core competencies should be developed and recruitment, training and retention of skilled staff are becoming a main concern and a priority in institution capacity-building. Employers' organizations in Asia and Latin America are benefiting from extensive programmes designed and implemented by ILO aimed at enhancing capacity-building in these organizations. The industrial relations role of employers' organizations continues to be an important aspect of their functions and related issues were dealt with by ILO in its technical cooperation programme.

51. Owing to concerns over the increasing cost of environmental protection and the resulting restraints on economic development, there has been growing interest in economic instruments for achieving environmental protection goals with greater flexibility and lower overall cost. Energy taxes, emissions charges and tradeable emissions or resource quotas allow emissions reductions and other environmental protection measures to be undertaken where they are least costly, while ensuring that the costs are shared equitably. Consumer education, eco-labelling and public procurement can be used to shift demand patterns in order to reduce environmental damage. Efforts to design such market-based instruments are increasingly being undertaken in consultation with industry to ensure that they achieve environmental protection goals in the most cost-effective way.

52. Some industry groups have adopted voluntary environmental standards for their members in an effort to improve their public image and contribute to long-term sustainable development. This trend has facilitated cooperation between environmental authorities and industry and has encouraged the use of incentives for voluntary action and negotiated agreements between authorities and industry rather than detailed command-and-control regulations. The United Nations system has a variety of programmes to assist countries and their industries in integrating environmental protection into economic development strategies and processes. The Department of Economic and Social Affairs conducts policy studies on sustainable development and provides technical assistance in the areas of sustainable energy, water and natural resources. Work in the areas of technology transfer, environmental accounting and tourism have focused particularly on cooperative efforts between government and business to promote environmental protection and economic development.

53. UNEP and UNIDO have established a network of national cleaner production centres, which assist enterprises in identifying, transferring and integrating technologies that both reduce pollution and increase productivity. UNEP's financial services initiative includes the development of voluntary commitments by private-sector financial and insurance institutions to environment and development. UNCTAD assists developing countries in studying the impact of environment policies on their export industries and in participating in multilateral deliberations on trade and environment. UNCTAD is also studying the contribution that foreign direct investment and transnational corporations can make to sustainable development in developing countries, in particular through diffusion of environmentally sound technologies. UNCTAD and UNEP have also organized a

series of workshops to promote corporate environmental accounting and reporting in developing countries.

54. The interaction between the Department of Economic and Social Affairs and business and industry since 1997 has focused primarily on facilitating multi-stakeholder dialogue processes that are thematically specific and aim to generate greater common ground and further potential for joint action for sustainable development. Key words in this approach are developing mutual trust, ensuring accountability and transparency and building consensus between the parties concerned. Activities involve business, trade unions and NGOs. In 1998, a new tradition started, with a two-day dialogue segment allowing representation of business and industry, as well as other major groups, to engage in discussions to elaborate, promote and share sustainable development practices and promote corporate responsibility and accountability.

55. Another example of how an international organization could cooperate with the corporate sector to maximize project impact and expand the constituency of the poor with the private sector is the initiative taken by the International Fund for Agricultural Development to promote a corporate sector development partnership. In participating and investing with the Fund in rural areas, the corporate sector contributes to raising rural income levels and hence to increasing active demand. An interesting case of institutionalized cooperation with the private sector and intergovernmental organizations is the United Nations Centre for Facilitation of Procedures and Practices for Administration, Commerce and Transport, which analyses the use of electronic commerce and information technologies in order to develop recommendations on best business practices in this area and, where appropriate, to develop methodologies and tools.

56. One emerging pivotal role that the private sector has assumed is in post-conflict reconstruction and development, an area that is continuing to be of major concern to the United Nations. The participation of the business sector in the early stages of post-conflict reconstruction is a prerequisite for a viable economic framework, which can create an environment for recovery and prosperity. It is, in fact, a key to the success, in most cases, of refugee repatriation and of the peace process itself. The essential contribution of the private sector is investment; physical infrastructure replacement and upgrading; technology; the vital products and services for recovery, necessary for relief, reconstruction and recovery; and stimulus to employment and local business development. Additionally, the private sector also contributes "economic multipliers" such as distribution networks, financing mechanisms, access to

market and training and human resources development. The United Nations system is therefore increasingly forging new and innovative partnerships with the private sector in its programme of post-conflict reconstruction and development.

57. In the context of its direct assistance aimed at building private sector capacity, the Department of Economic and Social Affairs has undertaken a project that has strengthened NGOs support to private sector development in connection with national poverty-reduction programmes. In Ghana and the United Republic of Tanzania, the Department of Economic and Social Affairs technical cooperation programmes have supported several national institutions in their work towards strengthening capacity for the start-up and development of small-scale enterprises in a wide range of economic sectors and regions. Pursuing its objective to foster policies that encourage economic growth and wealth creation through intellectual property tools, the World Intellectual Property Organization (WIPO) has developed ways in which NGOs and entities in the market sector can interact with the Organization. These ways include: (a) the newly-established Industry Advisory Commission, which is a purely advisory board; (b) the traditional mechanism of permanent or ad hoc observer status for NGOs; and, (c) meetings between WIPO staff and representatives of specific industry sectors. In addition to the foregoing more formal mechanisms for interaction with the market, WIPO receives assistance in its training and technical assistance programmes from representatives of that sector on an ad hoc basis. Moreover, WIPO staff regularly receive advice and information from such representatives and engages in discussions on a wide variety of subjects.

Notes

- ¹ Mark W. Zacher, *The United Nations and Global Commerce* (United Nations Department of Public Information). This publication documents the myriad activities of the United Nations in establishing, maintaining and extending the "soft infrastructure" for orderly transaction.

Annex

List of contributing United Nations organizations

Department for Economic and Social Affairs
Economic Commission for Africa
Economic Commission for Europe
Economic Commission for Latin America and the Caribbean
Economic and Social Commission for Asia and the Pacific
Economic and Social Commission for Western Asia
United Nations Conference on Trade and Development
United Nations Development Programme
International Labour Organization
Food and Agriculture Organization of the United Nations
World Bank
International Finance Corporation
International Fund for Agricultural Development
United Nations Industrial Development Organization
United Nations Centre for Human Settlements (Habitat)
United Nations Development Fund for Women
World Tourism Organization
World Trade Organization
World Intellectual Property Organization
